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United Nations

United Nations Development Programme

Financial report and audited financial statements

for the biennium ended 31 December 1997 and

Report of the Board of Auditors

General Assembly
Official Records
Fifty-third Session
Supplement No. 5A (A/53/5/Add.1)

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United Nations • New York, 1998

Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Abbreviations

AfDB	African Development Bank
AFESD	Arab Fund for Economic and Social Development
AsDB	Asian Development Bank
CEC	Commission of the European Communities
DEVNET	Development Network
EBRD	European Bank for Reconstruction and Development
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
EEC	European Economic Commission
EIMS	Executive Information Management System
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
FIM	Financial Information Management
GEF	Global Environment Facility
IADB	Inter-American Development Bank
IAEA	International Atomic Energy Agency
IAPSO	Inter-Agency Procurement Services Office
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
IDA	International Development Association
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Organization
IMF	International Monetary Fund
IMIS	Integrated Management Information System
IMO	International Maritime Organization
IOM	International Organization for Migration
ITC	International Trade Centre
ITU	International Telecommunication Union
JPO	Junior Professional Officer
NEX	National Execution
NGO	Non-Governmental Organization
OECD	Organisation for Economic Cooperation and Development
OIOS	Office of Internal Oversight Services
PFMS	Project Financial Management System
SICA	Spanish International Cooperation Agency
UNCDF	United Nations Capital Development Fund
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme

UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNFSTD	United Nations Fund for Science and Technology for Development
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNITAR	United Nations Institute for Training and Research
UNOPS	United Nations Office for Project Services
UNRFNRE	United Nations Revolving Fund for Natural Resources Exploration
UNSO	Office to Combat Desertification and Drought
UNTAC	United Nations Transitional Authority in Cambodia
UNV	United Nations Volunteers
UPU	Universal Postal Union
USAID	United States Agency for International Development
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WTO	World Tourism Organization

Letters of transmittal and certification

29 April 1998

Sir,

Pursuant to financial regulation 16.1, we have the honour to submit the financial statements of the United Nations Development Programme (UNDP) for the biennium ended 31 December 1997, which we hereby approve.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

We, the undersigned, acknowledge that:

The Management is responsible for the integrity and objectivity of the financial information included in these financial statements.

The financial statements have been prepared in accordance with the United Nations System Accounting Standards and include certain amounts that are based on Managements' best estimates and judgements.

Accounting procedures and related systems of internal control provide reasonable assurance that assets are safeguarded, that the books and records properly reflect all transactions and that overall, policies and procedures are implemented with an appropriate segregation of duties. UNDP internal auditors continually review the accounting and control systems. Further improvements are being implemented in specific areas.

The Management provided the United Nations Board of Auditors and UNDP internal auditors with full and free access to all accounting and financial records.

The recommendations of the United Nations Board of Auditors and UNDP internal auditors are reviewed by the Management. Control procedures have been revised or are in the process of revision, as appropriate, in response to those recommendations.

We each certify that, to the best of our knowledge, information and belief, all material transactions have been properly charged in the accounting records and are properly reflected in the appended financial statements.

Accept, Sir, the assurances of our highest consideration.

(Signed) James Gustave **Speth**
Administrator

(Signed) Veronique **Lavorel**
Assistant Administrator
Bureau for Financial and
Administrative Services

The Chairman of the Board of Auditors
United Nations
New York

15 July 1998

Sir,

I have the honour to transmit to you the financial statements of the United Nations Development Programme for the biennium 1996–1997 ended 31 December 1997, which were submitted by the Administrator. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts.

Accept, Sir, the assurances of my highest consideration.

(Signed) Vijay Krishna **Shunglu**
Comptroller and Auditor General
of India and Chairman
United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York

Chapter I

Financial report for the biennium ended 31 December 1997

1. The Administrator has the honour to submit his financial report for the biennium ended 31 December 1997, together with the audited financial statements of the United Nations Development Programme (UNDP) for the biennium ended 31 December 1997 and the report of the Board of Auditors. This submission is made in conformity with the Financial Regulations of the United Nations Development Programme. The financial statements consist of statements and schedules, accompanied by notes, which are an integral part of the financial statements, and include all trust funds established by the Administrator as well as all funds established by the General Assembly and administered by UNDP.

2. The UNDP financial statements incorporate expenditure data obtained from the executing agencies. As far as possible, the data are obtained from the agencies' audited statements or, when such statements are not available at the time of the year-end closing of the UNDP accounting records, either from the agencies' statements as submitted for audit or from the agencies' unaudited statements.

3. As at the date of preparation of the present financial statements, the status of information received from the executing agencies was as follows:

(a) Audited statements were provided by the following executing agencies:

World Health Organization (WHO)
International Atomic Energy Agency (IAEA)

(b) Statements as submitted for audit or unaudited statements were provided by the following executing agencies:

African Development Bank (AfDB)
Asian Development Bank (AsDB)
Economic and Social Commission for Asia and the Pacific (ESCAP)
Economic and Social Commission for Western Asia (ESCWA)
Economic Commission for Africa (ECA)
Economic Commission for Europe (ECE)
Economic Commission for Latin America and the Caribbean (ECLAC)
Food and Agriculture Organization of the United Nations (FAO)
International Bank for Reconstruction and Development (World Bank) (IBRD)
International Civil Aviation Organization (ICAO)
International Finance Corporation (IFC)
International Labour Organization (ILO)
International Maritime Organization (IMO)
International Monetary Fund (IMF)
International Telecommunication Union (ITU)
International Trade Centre (ITC)
United Nations
United Nations Children's Fund (UNICEF)
United Nations Conference on Trade and Development (UNCTAD)
United Nations Educational, Scientific and Cultural Organization (UNESCO)
United Nations Industrial Development Organization (UNIDO)
United Nations Institute for Training and Research (UNITAR)
United Nations Office for Project Services (UNOPS)
Universal Postal Union (UPU)
World Health Organization (WHO)

World Intellectual Property Organization (WIPO)
World Meteorological Organization (WMO)
World Tourism Organization (WTO)

Changes in accounting practices and policies in the biennium

Accounting policies

4. A summary of significant accounting policies applied in the preparation of the financial statements is provided in note 2 to the financial statements. Overall policies are the same as those applied in the 31 December 1995 financial statements. Changes in accounting policies, if any, are properly disclosed in the aforementioned note 2.

Presentation of accounts

5. Format: Following the recommendation by the Administrative Committee on Coordination on the common interorganization accounting standards and harmonized presentation of financial statements, UNDP has now fully adopted the recommended format for the biennium ended 31 December 1997.

6. In addition, the Executive Board in its decision 97/6, harmonized the budget presentation for UNDP, UNICEF and UNFPA. The new harmonized format distinguishes UNDP regular resources from its other resources (cost-sharing, reimbursable support services activities and other miscellaneous activities) and from the activities of the Funds established by the General Assembly and administered by UNDP (United Nations Capital Development Fund (UNCDF), United Nations Volunteers (UNV), United Nations Development Fund for Women (UNIFEM), United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE) and United Nations Fund for Science, Technology and Development (UNFSTD)). Although this decision was not effective until 1 January 1998, UNDP proceeded with an early adoption in order to facilitate the Board's review of the biennium 1996–1997 financial results. These changes have led to some reclassifications of prior biennium figures for better comparison. Further refinement will be incorporated in the financial statements during the period 1998–1999.

7. UNDP completed the biennium 1996–1997 with overall mobilization of $4.4 billion in contributions of which 36.6 per cent pertained to its regular resources activities, 39.6 per cent to cost-sharing activities, 12.3 per cent to specific trust funds' activities, 8.5 per cent to reimbursable support services and miscellaneous activities and 3 per cent collected through its administered funds established by the General Assembly.

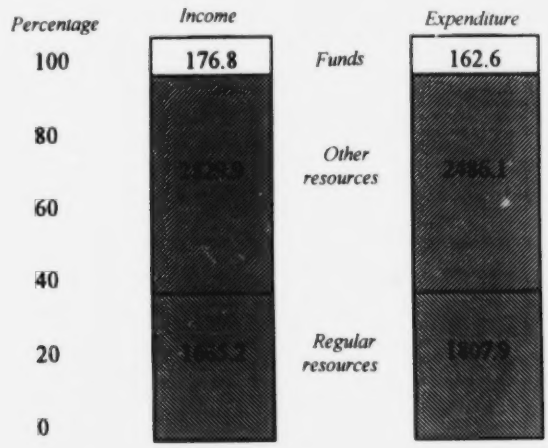
8. Total expenditure amounted to $4.5 billion, out of which 81 per cent ($3.6 billion) was spent in programme/project activities, 4 per cent ($163.5 million) in support costs paid to other United Nations agents and 15 per cent ($652.4 million) for the biennial support budget.

Table 1
Combined income and expenditure for the bienniums ended 31 December
(Millions of United States dollars)

	Regular resources		*Other resources*		*Funds*		*Total*[a]	
	1997	*1995*	*1997*	*1995*	*1997*	*1995*	*1997*	*1995*
Income								
Contributions, net	1 608.9	1 828.2	2 673.9	2 037.7	132.4	125.7	4 415.2	3 991.6
Interest income	87.1	95.2	95.2	31.7	19.5	15.1	201.8	142.0
Other income, net	(30.8)	31.8	60.8	63.6	24.9	15.0	54.9	110.4
Total income	**1 665.2**	**1 955.2**	**2 829.9**	**2 133.0**	**176.8**	**155.8**	**4 671.9**	**4 244.0**
Expenditure								
Programme	1 191.4	1 022.5	2 303.2	1 624.2	124.0	139.2	3 618.6	2 785.9
Programme support – implementing agencies	113.0	100.7	46.3	65.5	4.2	4.0	163.5	170.2
Biennial support budget	485.6	489.1	132.4	107.4	34.4	24.0	652.4	620.5
Support to Resident Coordinator	6.8	—	4.2	—	—	—	11.0	—
UNDP sectoral support	11.1	13.3	—	—	—	—	11.1	13.3
Total expenditure	**1 807.9**	**1 625.6**	**2 486.1**	**1 797.1**	**162.6**	**167.2**	**4 456.6**	**3 589.9**
Excess (shortfall) of income over expenditure	(142.7)	329.6	343.8	335.9	14.2	(11.4)	215.3	654.1
Provision for assets write down	(14.4)	—	(14.1)	—	—	—	(28.5)	—
Net excess (shortfall) of income over expenditure	(157.1)	329.6	329.7	335.9	14.2	(11.4)	186.8	654.1
Unexpended resource	**285.0**	**474.7**	**1 197.8**	**852.7**	**126.9**	**121.0**	**1 609.7**	**1 448.4**

[a] Aggregate totals only. Not consolidated.

Figure 1
Summary of income and expenditure for the biennium ended 31 December 1997
(Millions of United States dollars)



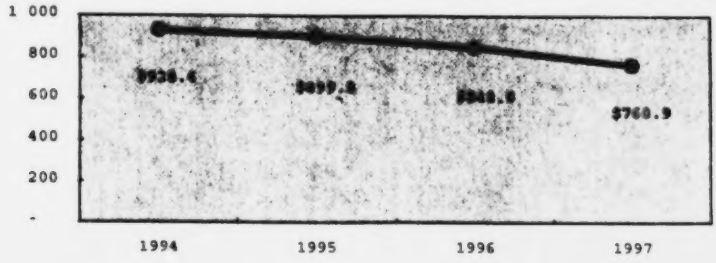
Regular resources

Income

9. Voluntary contributions declined by 12 per cent in 1996–1997 in comparison with the previous biennium.

10. The average rate of return on interest income was around 5 per cent. Other income was mainly composed of exchange gains or losses.

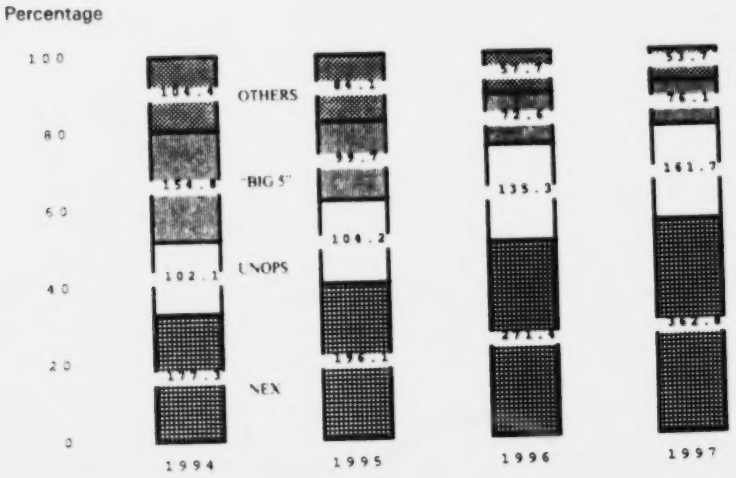
Figure 2
Contributions for regular resources activities for the 12 months ended 31 December
(Millions of United States dollars)



Expenditure

11. Programme expenditure (including programme support) increased from $1.1 billion in 1994–1995 to $1.3 billion in 1996–1997. This reflects the focus of UNDP on increasing delivery. The national execution (NEX) modality continues to expand, according to UNDP policy. Indeed, in 1994–1995, programmes valued at $373.4 million, 36 per cent of the total 1994–1995 core resources programme expenditure, were executed by recipient countries. In 1996–1997, the NEX modality accounted for $634 million, i.e., 53.2 per cent of the total 1996–1997 programme expenditure from core resources.

Figure 3
Expenditure by execution modality for the 12 months ended 31 December
(Millions of United States dollars)



12. There was a 41 per cent decrease in United Nations system's share of programme expenditure, from $443.0 million in 1994–1995 to $260.1 million in 1996–1997.

13. The biennial support budget slightly decreased by $3.5 million as a result of management's effort to maximize its efficiency and effectiveness.

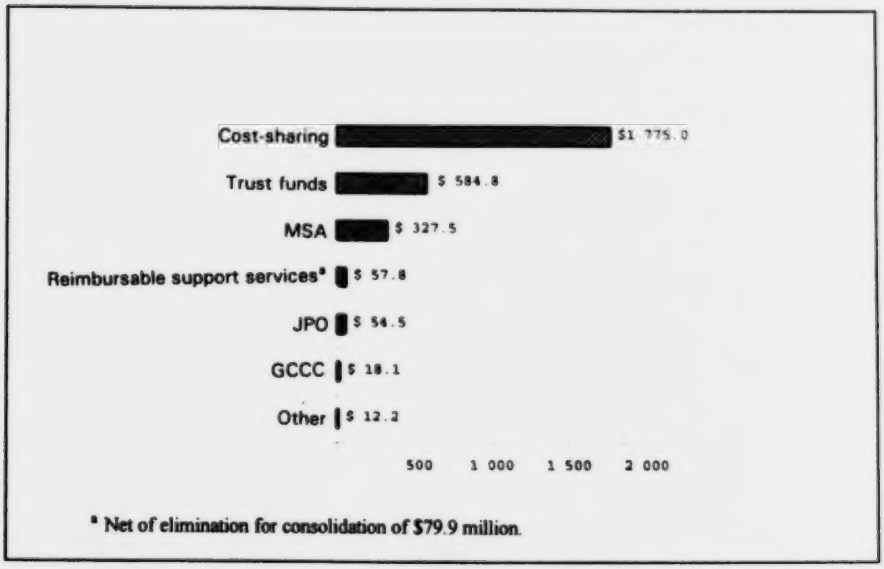
14. UNDP has been holding in its books non-convertible currencies for many years. A provision for write-down owing to loss of value in comparison with the United Nations operational rate of exchange has been set up for an amount of $14.4 million.

Unexpended resources

15. The decrease in voluntary contributions coupled with the growing programmes/projects delivery resulted in a reduction of the unexpended regular resources, which stood at $285.0 million as at 31 December 1997. This is less than four months of total expenditure.

Other resources activities

Figure 4
Income for other resources activities for the biennium ended 31 December 1997
(Millions of United States dollars)



[a] Net of elimination for consolidation of $79.9 million.

16. The increase in the other resources activities is most noticeable in cost-sharing, trust funds and Junior Professional Officers (JPOs).

Table 2

Other resources activities for the biennium ended 31 December 1997

(Millions of United States dollars)

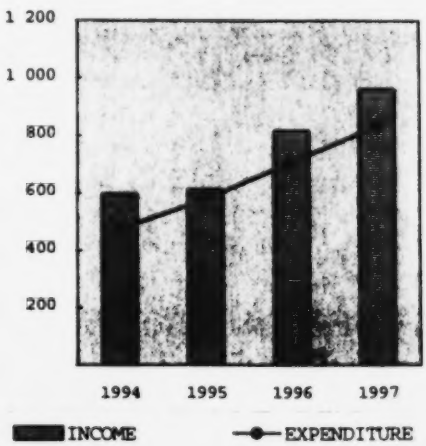
	UNDP cost-sharing		*Government cash counterpart contributions*		*Trust funds*		*Management service agreements*		*Junior Professional Officers*		*Reserve for Field Accommodation*		*Reimbursable support services*		*Special activities*		*Eliminations*		*Total*	
	1996-1997	*1994-1995*	*1996-1997*	*1994-1995*	*1996-1997*	*1994-1995*	*1996-1997*	*1994-1995*	*1996-1997*	*1994-1995*	*1996-1997*	*1994-1995*	*1996-1997*	*1994-1995*	*1996-1997*	*1994-1995*	*1996-1997*	*1994-1995*	*1996-1997*	*1994-1995*
Income																				
Contributions	1 742	1 197	18	19	540	494	315	280	55	48	—	—	—	—	4	—	—	—	2 674	2 038
Interest income	33	11	—	—	44	13	12	8	—	—	—	—	6	—	—	—	—	—	95	32
Other income, net	—		—	—	1	1	—	—	—	—	8	9	132	88	—	—	(80)	(35)	61	63
Total income	**1 775**	**1 208**	**18**	**19**	**585**	**508**	**327**	**288**	**55**	**48**	**8**	**9**	**138**	**88**	**4**	**—**	**(80)**	**(35)**	**2 830**	**2 133**
Expenditure																				
Programme	1 517	978	13	14	406	305	320	286	47	42	—	—	—	—	—	—	—	—	2 303	1 625
Programme support, implementing agencies	20	46	—	—	20	14	—	—	6	5	—	—	—	—	—	—	—	—	46	65
Programme support to Resident Coordinator	—		—	—	—	—	—	—	—	—	—	—	—	—	4	—	—	—	4	—
UNDP sectoral support services	—		—				—		—		—	—	—	—	—	—	—	—	—	—
Biennial support budget	71	29	—	—	29	21	—	—	—	—	5	6	106	86	2	—	(80)	(35)	133	107
Total expenditure	**1 608**	**1 053**	**13**	**14**	**455**	**340**	**320**	**286**	**53**	**47**	**5**	**6**	**106**	**86**	**6**	**—**	**(80)**	**(35)**	**2 486**	**1 797**
Excess (shortfall) of income over expenditure	167	155	5	5	130	168	7	2	2	1	3	3	32	2	(2)	—	—	—	344	336
Write-off and provision for assets write-down	—	—	—	—	—	—	—	—	—	—	(14)	—	—	—	—	—	—	—	(14)	—
Net excess (shortfall) of income over expenditure	**167**	**155**	**5**	**5**	**130**	**168**	**7**	**2**	**2**	**1**	**(11)**	**3**	**32**	**2**	**(2)**	**—**	**—**	**—**	**330**	**336**
Savings on prior biennium's obligations					—	—	—	—	—	—		—	1	1	—	—	—	—	1	1
Refunds to donors and transfers (to) from other funds, net	—	—	—	—	(23)	—	(1)	—	—	—	—	—	—	2	3	—	—	—	(21)	2
Fund balances, 1 January	406	223	11	6	336	168	75	74	7	6	5	1	48	36	—	—	—	—	888	514
Fund balances, 31 December	**573**	**378**	**16**	**11**	**443**	**336**	**81**	**76**	**9**	**7**	**(6)**	**4**	**81**	**41**	**1**	**—**	**—**	**—**	**1 198**	**853**

Cost-sharing

17. This funding modality is gaining more and more importance, with a total contribution increase of $544.5 million (45.5 per cent) over the biennium 1994–1995. Out of the total $1,741.9 million received in 1996–1997, $187 million was attributable to third-party cost-sharing ($156 million in 1994–1995) and $1,464 million to recipient Governments ($1,065 million in 1994–1995).

18. Programme expenditure as well as the support costs paid to the United Nations and other implementing agencies have increased as a result of the overall growth of this modality. The biennial support budget of $71.2 million represents the costs charged for services provided to cost-sharing activities.

Figure 5
Summary of cost-sharing income and expenditure for the 12 months ended 31 December
(Millions of United States dollars)

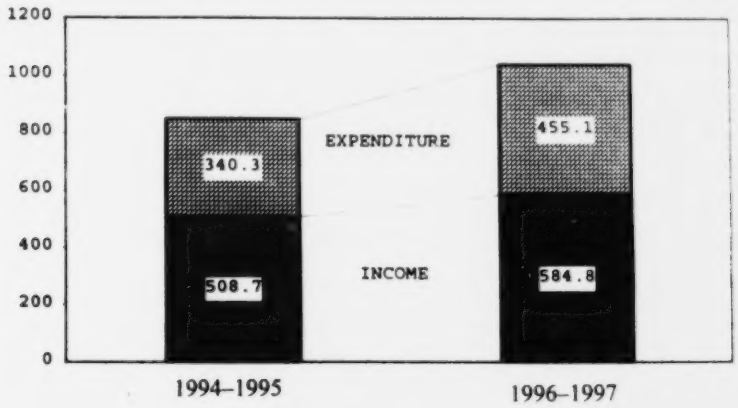


Trust funds established by the United Nations Development Programme

19. The detailed financial results of the trust funds are on schedules 5 and 5.1 to 5.3. A total of 52 trust funds and 49 sub-trust funds were established during the biennium 1996–1997, whereas 12 trust funds and 9 sub-trust funds were closed. The environmental sector is capturing most of the trust funds' resource mobilization. In 1996–1997, the Trust Fund for the Global Environment Facility (GEF), the Multilateral Fund for the Implementation of the Montreal Protocol, the "Capacity 21" Trust Fund and the Trust Fund to Combat Desertification and Drought (UNSO) captured $211.6 million of contributions, i.e., 39 per cent of the total trust funds contributions. Countries/territories in special

situations, such as Rwanda, Angola, the occupied Palestinian territory, etc., are the second most important sector in the trust funds' activities.

Figure 6
Summary of trust funds income and expenditure for the biennium ended 31 December
(Millions of United States dollars)



Trust Fund to Combat Desertification and Drought

20. During the biennium, UNSO provided technical support and catalytic funding to some 45 countries in Africa, Latin America and the Caribbean, Asia, the countries members of the Commonwealth of Independent States and the Arab States in their efforts to develop national action programmes and to 22 countries in Africa, Latin America and the Caribbean, and Asia for the establishment of national desertification funds, in the context of the implementation of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa. In a similar way, UNSO has worked with the Permanent Inter-State Committee for Drought Control in the Sahel (CILLS), the Southern African Development Community (SADC), the Intergovernmental Authority on Development (IGAD), the Arab Maghreb Union (AMU) and the Gran Chaco, Central America and Puna regions to develop subregional action programmes in their communities. Further, UNSO produced state-of-the-art publications, provided technical support to the International NGO Network on Desertification (RIOD), developed a strategy and a 12-month plan of action for strengthening the role of women in the context of the Convention and launched a pilot programme on promoting farmer innovation in rain-fed agriculture. UNSO also continues to backstop a portfolio of down-stream projects covering various activities relevant to combating desertification and drought. Total programme expenditure decreased from $16.9 million in 1994–1995 to $10.7 million in 1996–1997. The resources mobilized went up by 19 per cent from $11.5 million to $13.8 million.

Trust Fund for the Global Environment Facility

21. The GEF Council held four meetings during 1996–1997, at which it reviewed and approved GEF corporate business plans, the corporate administrative budget and individual work programme targets for UNDP/GEF for the fiscal years 1997 and 1998. The GEF secretariat also conducted a separate project implementation review exercise in both 1996 and 1997 with respect to all GEF funded projects.

22. During the biennium 1996–1997 the approved work programmes of GEF amounted to a total of $226.5 million, almost three times the amount approved for 1994–1995 ($83.3 million). Total expenditure amounted to $106.6 million in 1996–1997 in comparison to $91.3 million expended in 1994–1995 (increase of 16.8 per cent).

23. Contributions received in 1996–1997 from the GEF trustee, the World Bank, amounted to $110 million ($115.9 million in 1994–1995). In addition, GEF mobilized $1.7 million in cost-sharing and in sub-trust funds' projects ($11.9 million in 1994–1995).

Multilateral Fund for the Implementation of the Montreal Protocol

24. The Multilateral Fund for the Implementation of the Montreal Protocol was established in 1991 with a mandate to implement national programmes to phase out chlorofluorocarbons (CFCs), halons and other ozone depleting substances. Four implementing agencies have been designated to implement this programme: UNDP, the United Nations Environment Programme (UNEP), UNIDO and the World Bank.

25. To achieve this objective, the activities of UNDP include:

- Formulation of national country programmes for the Montreal Protocol;
- Technical training and demonstration projects;
- Institutional strengthening/national capacity-building;
- Technology transfer investment projects.

26. From 1991 to December 1997, UNDP received project approvals totalling $190 million from the Multilateral Fund; cumulative expenditure at 31 December 1997 totalled $109.5 million.

27. Contributions received for 1996–1997 amounted to $67.2 million ($89.6 million in 1994–1995). Total programme expenditure amounted to $61.2 million in 1996–1997 against $33.9 million in 1994–1995.

"Capacity 21" Trust Fund

28. "Capacity 21" is now in its fifth year of operation, and has programmes in developing countries in all regions of the world, and has started on the task of monitoring progress, distilling results and lessons and creating a body of knowledge that will be of material benefit to other countries. The total resource mobilized in 1996–1997 was $18.8 million against $28.3 million in 1994–1995, i.e., a decrease of 33.5 per cent. During the same period, total programme expenditure amounted to $14.9 million against $7.2 million in 1994–1995 (an increase of 106.9 per cent).

Fund for the Programme of Assistance to the Palestinian People

29. The programming strategy of the UNDP Fund for the Programme of Assistance to the Palestinian People is based on two objectives:

(a) To utilize the Fund's limited core resources in a catalytic manner, so as to launch high-priority, capacity-building programmes that are subsequently sustained and expanded largely through voluntary bilateral donor contributions;

(b) To ensure the sustainability of the capacity-building programmes through the utilization of joint implementation structures, ensuring the long-term viability and local accountability of the Palestinian counterparts.

30. Total income received amounted to $83.1 million in 1996–1997, i.e., an increase of 21.4 per cent over the prior biennium. These resources were mobilized through contributions to the main trust fund and the establishment of new sub-trust funds. Programme expenditure in 1996–1997 amounted to $72.6 million, making UNDP one of the three largest implementers of donor-funded projects in the occupied Palestinian territory. Pursuant to the strategies and initiatives identified in its programme framework (1996–1998), the Fund, during the biennium, increased its focus on the expansion of its advocacy role in the promotion of such sustainable human development themes as poverty elimination, sustainable livelihoods, gender in development and environmental management.

31. During 1996–1997, the Fund also launched major activities to enhance governance at the local, municipal and central levels of the Palestinian Authority, taking full advantage of the considerable local expertise available in the area.

United Nations Development Programme Trust Fund for Rwanda

32. The UNDP Trust Fund for Rwanda was established in April 1995 to enhance UNDP programme activities in support of the Government of Rwanda's programme of national reconciliation and socio-economic rehabilitation and recovery.

33. In February 1997, direct execution by UNDP was approved for the Trust Fund for Rwanda on a case-by-case basis. The rationale for authorizing the UNDP Rwanda Country Office to apply direct execution was the result of a commitment made to the international community and to the Government of Rwanda to establish a UNDP managed system that could respond to the crisis quickly and effectively.

34. Projects in Rwanda directly executed by UNDP cover sectors, which are critical in the country context, such as the reintegration and re-installation of returnees, governance, justice and social development. Most projects are of short duration and quick impact.

35. At 31 December 1997, the Trust Fund had seven projects directly executed by UNDP. Total approved budgets for the projects of $12 million represented approximately 22 per cent of total approved budgets. Of the approved budgets 28 per cent was executed by specialized agencies of the United Nations system while 50 per cent was nationally executed. All seven projects are fully subcontracted to implementing partners (international and local non-governmental organizations).

36. In 1996–1997, the UNDP Trust Fund for Rwanda mobilized $55.4 million in contributions. Programme expenditure of $29.2 million was incurred as shown in schedule 5.2. Unexpended resources at 31 December 1997 totalled $41.9 million, of which $23.5 million had been committed to project activities.

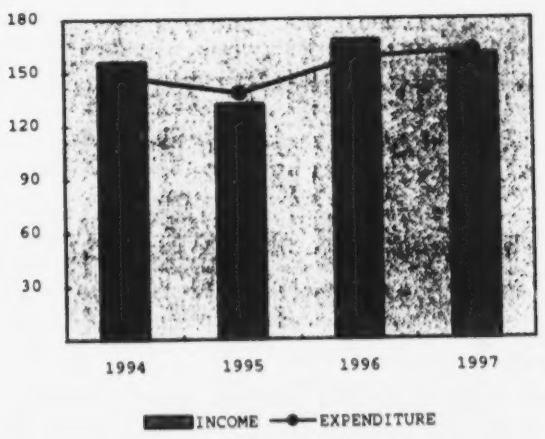
Energy Account

37. Most of the UNDP Energy Account activities involve identification, formulation and implementation of renewable energy projects to meet the basic energy needs of rural communities and on energy efficiency measures for residential, commercial and industrial sectors. These activities are fully in line with the UNDP Initiative for Sustainable Energy and are implemented under the Financing Energy Services for Small Scale Energy Users (FINESSE), which aims at assisting recipient countries to identify and promote technically feasible and economically viable renewable energy technologies and energy efficiency services to residential, commercial, agro-industrial and institutional energy users. FINESSE activities are presently being implemented in selected countries in Asia and the SADC region. The Energy Account received contributions of $2.2 million in 1996–1997 ($3.4 million in 1994–1995) against total expenditure of $4.5 million ($3.0 million in 1994–1995).

Management service agreements

38. Management service agreements (detailed in schedule 6.1) signed by UNDP with various donors are executed by UNOPS on behalf of UNDP. During the biennium under review, 37 new agreements were implemented, 26 agreements were financially completed, and 38 were operationally completed. The total income increase by 14 per cent in 1996–1997 ($327.5 million) compared with the biennium 1994–1995 ($287.3 million) whereas the total expenditure went up by 12 per cent in 1996–1997 ($319.8 million) compared with the biennium 1994–1995 ($286.1 million).

Figure 7
Summary of income and expenditure for management service agreements for the 12 months ended 31 December
(Millions of United States dollars)



Junior Professional Officers programme

39. UNDP currently has 831 JPOs under this programme financed by 20 countries. The increase in both income and expenditure is the effect of the growth in the numbers of participants (at 31 December 1995, the programme had 639 JPOs). The breakdown of the status as at 31 December 1997 is shown in schedule 6.2.

Other activities

40. This component comprises miscellaneous activities such as:

(a) Reimbursable services provided by core to non-core activities, etc.;

(b) Activities under the Reserve for Field Accommodation;

(c) Unified coding system activities, etc.

41. A net amount of $2.6 million has been written off as a result of the impairment or the sale of assets of the Reserve for Field Accommodation.

42. In addition, $11.5 million has been provided for housing and office write down where the current market value is significantly lower than the book cost.

Funds established by the General Assembly and administered by the United Nations Development Programme

43. The funds established by the General Assembly are: UNCDF, UNV, UNIFEM, UNRFNRE and UNFSTD. The financial results are detailed in schedules 7, and 7.1 to 7.3. UNCDF, UNV and UNIFEM are still the most active funds. In the biennium under review, their delivery represented 99 per cent of all fund activities, a ratio that is comparative with 1994–1995. Their income was 98.8 per cent of the funds total in 1996–1997, compared with 98 per cent in the previous biennium.

United Nations Capital Development Fund

44. Project approvals are directed by the Fund's policy focus of reducing poverty through approaches that promote local governance, a dynamic private sector and the participation of the civil society in development initiatives. To achieve its objectives, UNCDF increased activity in its most innovative areas of intervention, i.e., local development funds, eco-development and micro-finance. In close partnership with Governments and UNDP, these activities build upon and support efforts in the least developed countries towards democratization, decentralized decision-making and the devolution of resource management to local government authorities and community organization.

45. The Fund's financial priorities in 1996–1997 included: (a) increasing resource mobilization; (b) increasing project approvals with concentration in least developed countries; and (c) increasing project expenditures and reducing administrative costs. Core contributions were around $69.2 million for the biennium. It should, however, be mentioned that eight of the Fund's major donors increased their contributions for 1997, but the impact was negated by the strong United States dollar. The targets were surpassed for project approvals at $52 million for 1996 and $65 million for 1997. However, owing to change in typology of projects approved, civil unrest in some country offices, etc., project expenditure reported fell below expected results by 9 per cent for the biennium.

United Nations Volunteers

46. The biennium 1996–1997 witnessed a period of growth and change for UNV which has touched its programme, its people and its partners. The range of work of UNVs and their roles have evolved rapidly to keep pace with changes in the global environment and the needs of developing partners.

47. The changing profile of UNVs has been accompanied by progressive introduction of greater flexibility in the terms and conditions of service for volunteers as well as further broadening of volunteer profiles and their areas of work to include, in addition to international UNV specialists and field workers, National United Nations Volunteers, short-duration humanitarian relief volunteers, locally contracted eco-volunteers, United Nations-agency supported human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) and cultural heritage volunteers, private sector related UNISTAR assignments, and the TOKTEN scheme which harnesses the expertise of expatriate nationals. New partnerships forged during the biennium with, for example, the European Union, the Organization for Security and Cooperation in Europe, with United Nations system bodies such as UNAIDS, the Joint United Nations Programme on HIV/AIDS, UNDCP, UNSO, the Office of the United Nations High Commissioner for Refugees (UNHCR) and UNESCO, and with some civil society organizations have already resulted in joint endeavours in programme countries. Finally, the trend continues towards more diversified sources of funding for volunteer assignments.

48. Strategy 2000 was launched at the beginning of 1997 following a consultative and participatory process undertaken over an 18-month period during which inputs were collected from more than 400 internal and external stakeholders. It provides UNV and its partners with a frame of reference for the scope and direction of the programme from 1997 to 2000. The strategy combines pro-active programme development, in the context of follow-up to global conferences, with the need to ensure responsiveness to the demands of partners in the programme countries.

49. The major event during the biennium in the implementation of the first track of Strategy 2000, pro-active programme development, was the holding of the fourth UNV Intergovernmental Meeting at Bonn in December 1997 to debate the topic on a globalizing world: roles for volunteers. It also provided an opportunity for UNV to seek further guidance on the directions mapped out by Strategy 2000 in the three areas of focus, namely urban development, environmental management and preventive/curative development.

United Nations Development Fund for Women

50. During the biennium 1996–1997, UNIFEM re-established normal programming, under a system of new procedures for programme financial management. The direction of its programme was also reoriented, to provide for greater thematic focus and for concepts of results-based management.

51. Schedule 7 shows total income of UNIFEM of $36.0 million and expenditure totalling $28.3 million in 1996–1997, resulting in a surplus of income of $7.7 million. Biennial support budget amounted to $6.4 million. Unexpended resources at 31 December 1997 totalled $12.3 million and contributions receivable were $6.9 million. Unspent allocations amounted to $15.3 million. At its annual session in September 1996, the Executive Board approved the re-establishment of the partial funding system and the operational reserve. The reserve was approved at a level of $3 million and now stands at $3.5 million, as described in note 32 to the financial statements.

52. In the current biennium, one trust fund and five sub-trust funds were established, bringing the combined total at 31 December 1997 to 15. Of particular note is the trust fund on the role of UNIFEM in eliminating violence against women. The status of these sub-trust funds is shown in schedule 7.1.

United Nations Revolving Fund for Natural Resources Exploration

53. The highlight of UNRFNRE activities in 1997 was the successful completion of offshore exploration for heavy mineral sands in southwestern Sri Lanka.

54. The Fund is embarking on a new direction that will focus on the environmental dimension of mineral resource development. In this regard, copies of guidelines on environmentally sound mining activities were distributed to all UNDP country offices and permanent missions to the United Nations. UNRFNRE has compiled a synthesis on the rapid mining legislative framework in Asian countries, which will also be distributed to UNDP country offices.

55. In the biennium under review, however, contributions decreased by 44 per cent when compared with the previous biennium. The Fund has diversified the source of voluntary contributions and every effort is being made to attract more contributions.

United Nations Fund for Science and Technology for Development

56. UNFSTD will soon be closing its activities. Meanwhile, $200,000 was received in contributions for 1996–1997 (the same level as in 1994–1995), which was fully expended (1994–1995 expenditure amounted to $1.0 million).

Chapter II
Report of the Board of Auditors

Summary

The Board of Auditors has audited the operations of the United Nations Development Programme (UNDP). The Board has also validated the financial statements of UNDP for the biennium ended 31 December 1997, and carried out reviews of how UNDP manages its cash, property, information technology and the process of change.

The Board's main findings are as follows:

(a) Owing to the absence of audit reports from some Governments, there was insufficient audit assurance in relation to $520 million of national execution expenditure. The Board has therefore restricted the scope of its audit opinion in this respect;

(b) UNDP made a provision of $14.1 million, and wrote off $2.6 million against this provision, for potential and actual losses incurred on its Reserve for Field Accommodation;

(c) UNDP provided agencies with advances, of which a total of some $89 million remained outstanding at the end of 1997; the Board considered that, had UNDP limited the advances to one month's expenditure, this outstanding balance could have been reduced by $61 million;

(d) Field offices had provided advances to Governments totalling $43.1 million in respect of projects for which financial reports were outstanding for previous periods;

(e) UNDP had secured rent-free accommodation in only 43 out of 136 countries, despite the requirement of its standard agreement with host countries;

(f) The UNDP budget for its 1994–1999 information management programme (excluding staff costs) almost doubled between December 1996 and May 1997, from $24 million to $47 million;

(g) Monitoring reports on information management projects do not identify expenditure incurred;

(h) UNDP was heavily reliant on a single firm of consultants for its information technology programme; contracts with this firm were let or extended without competitive bidding, and contract terms were not sufficiently related to outputs;

(i) Although UNDP has been addressing the year 2000 issue since 1996, much remains to be done in 1998–1999 before UNDP can be assured that its computer systems will not malfunction at the millennium change;

(j) UNDP did not assess the financial benefits expected to flow from its change programme;

(k) Despite shortcomings in the performance of its main firm of consultants used in the change management process, UNDP continued to employ the head of the firm as a consultant, without competitive bidding.

Key recommendations made by the Board are that UNDP should:

(a) Examine the scope for reducing the extent to which agencies are funded in advance, and where possible move to a system of reimbursing actual expenditure, thereby reducing cash flow risks and improving financial control;

(b) Reassert its current policy with regard to seeking rent-free office accommodation;

(c) Standardize its procedures for investment appraisal of information technology projects to take full account of financial and non-financial benefits, as well as operational requirements;

(d) Ensure that all systems are tested for year 2000 compliance, with sufficient lead time to correct any deficiencies;

(e) Assess the financial and non-financial benefits expected to flow from its change programme and use this assessment to carry out a full investment appraisal of the change initiative.

A list of all the main recommendations is included at paragraph 10 of the present report.

A. Introduction

1. The Board of Auditors has audited the financial statements of the United Nations Development Programme (UNDP) for the period from 1 January 1996 to 31 December 1997, in accordance with General Assembly resolution 74 (I) of 7 December 1946, and article XII of the Financial Regulations of UNDP. The audit has been conducted in conformity with common auditing standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency (IAEA). These standards require that the Board plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

2. The audit was conducted primarily to enable the Board to form an opinion as to whether the expenditures recorded in the financial statements for the period from 1 January 1996 to 31 December 1997 had been incurred for the purposes approved by the governing bodies; whether income and expenditures were properly classified and recorded in accordance with the Financial Regulations and Rules; and whether the UNDP financial statements presented fairly the financial position at 31 December 1997. The audits were conducted at UNDP headquarters in New York and at country offices in Costa Rica, Uruguay, Peru, Bulgaria, Turkey, Viet Nam, the Philippines, Saudi Arabia and Uganda, and at the Inter-Agency Procurement Services Office (IAPSO) in Copenhagen. The Board considers that its approach provides a reasonable basis for its opinion.

3. The Board's examination included a general review of financial systems and internal controls and a test examination of accounting records and other supporting evidence, to the extent the Board considered necessary to form an opinion on the financial statements of UNDP.

4. In addition to its audit of the accounts and financial transactions, the Board carried out reviews under article 12.5 of the Financial Regulations of the United Nations. The reviews primarily concern the efficiency of the financial procedures, the internal financial controls and, in general, the administration and management of UNDP. In the biennium 1996–1997, the Board examined cash management; property management; information management systems; and management of change.

5. The Board continued its practice of reporting the results of specific audits in management letters containing detailed observations and recommendations to the Administration.

6. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the Administration, whose views, where appropriate, have been reflected in the present report.

7. The Board's main recommendations are reported in paragraph 10. The detailed findings are presented in paragraphs 11 to 151.

1. Previous recommendations not fully implemented

8. In accordance with section A, paragraph 7, of General Assembly resolution 51/225 of 3 April 1997, the Board reviewed recommendations made in previous reports and confirms that UNDP has taken appropriate action to implement those recommendations that were made in the Board's report relating to the biennium 1992–1993.

9. In accordance with General Assembly resolution 48/216 B of 23 December 1993, the Board also reviewed measures taken by UNDP to implement the recommendations made

by the Board in its audit report for the biennium ended 31 December 1995. Details of the actions taken and the comments of the Board are set out in the annex to the present report.

2. Main recommendations

10. The Board's main recommendations are that UNDP:

(a) Establish clear separation of duties between requisitioning, receipt of goods and maintenance of inventory records (para. 36);

(b) Take action to amend its financial regulations to require exchange losses to be charged as expenditure, as implied by United Nations Accounting Standards, paragraph 29, and in line with practice adopted by United Nations Headquarters (para. 38);

(c) Monitor returns on investments against prevailing market rates (para. 45);

(d) Examine the scope for reducing the extent to which agencies are funded in advance, and where possible move to a system of reimbursing actual expenditure, thereby reducing cash flow risks and improving financial control (para. 53);

(e) Develop and adopt key performance indicators to assess the effectiveness and efficiency of field offices and headquarters in managing their real estate. These indicators should include unit cost measures relating directly to the objectives specified in an estate management strategy (para. 68);

(f) Reassert its current policy with regard to seeking rent-free office accommodation for field offices (para. 81);

(g) Prepare a forward plan for maintenance and alterations work to the premises it occupies (para. 84);

(h) Collect and analyse energy cost and consumption data for its premises, in order to facilitate comparisons and to identify wastage and excessive costs (para. 86);

(i) Standardize its procedures for investment appraisal of information technology projects to take full account of financial and non-financial benefits as well as operational requirements (para. 99);

(j) Ensure that all systems are tested for year 2000 compliance, with sufficient lead time to correct any deficiencies (para. 124);

(k) Assess the financial and non-financial benefits expected to flow from its change programme and use this assessment to carry out a full investment appraisal of the change initiative (para. 140);

(l) Develop appropriate performance indicators and measures to assess specific change implementation activities, relating these directly to the main objectives of the change process (para. 150).

B. Financial issues

1. United Nations Accounting Standards

11. The Board assessed the extent to which the UNDP financial statements for the biennium ended 31 December 1997 conform to the United Nations Accounting Standards. The review indicated that the presentation of the financial statements is generally consistent with the standards.

2. Format of financial statements

12. In January 1997, the Executive Boards of UNDP, UNFPA and UNICEF presented proposals to the Advisory Committee on Administrative and Budgetary Questions for harmonizing their biennial support budgets. The intention was to produce comparable and transparent budget information. The harmonization was based on the premise that the total resources of the three organizations could be divided into two major groups: regular resources and other resources. Regular resource activities are those financed from voluntary contributions, donations from governmental sources and related interest earnings and miscellaneous income. Other resource activities include those where funds are received for a specific purpose, trust funds established by the Administrator and management service agreements. The Board notes that UNDP presented its statements for the biennium 1996–1997 on this basis.

3. Programme expenditure incurred by Governments and executing agencies

13. The UNDP financial statements include details of expenditure incurred on the organization's behalf by executing agencies and by Governments. This information is based on annual expenditure statements certified and submitted to UNDP each year. For each nationally executed project, UNDP prepares a combined delivery report that shows all the expenditure incurred during the calendar year. This is sent to the respective Governments for certification by their independent auditors whose audit reports are sent to UNDP.

14. United Nations agencies are required to provide a financial statement for every project that they undertake on behalf of UNDP. These statements are supported by audit reports or letters of reliance from the agencies' own external auditors. The audit reports and letters of reliance are intended to provide confirmation that the UNDP funds have been accurately reported and properly expended.

15. The Board relies on the work of other external auditors, as evidenced by the audit reports and letters of reliance, to gain adequate assurance that the funds advanced to executing agencies and Governments, and reported in the UNDP financial statements, have been properly expended on UNDP projects. In 1996–1997, $2,708 million was expended under these arrangements.

Audit reports from executing agencies

16. The Board has received audit reports or letters of assurance from the executing agencies in respect of expenditure incurred through executing agencies, which totalled $772 million. The Board noted a small number of minor differences between the expenditures reported in the final audited statements and schedules 2 and 2.1; however, these are not significant and do not have an impact on the audit opinion.

Audit reports from Governments

17. For the audit of 1996 national execution expenditure, the Office of Audit and Performance Review drew up an audit plan which aimed to ensure sufficient audit coverage on a country- by-country basis. The Office received responses and audit reports from 83 country offices for 1996 expenditure. In 1997, the government coordinating authorities, in consultation with the UNDP country offices, took over responsibility for drawing up the audit plan and submitting it to the Office. At mid-May 1998, the Office had still to receive audit plans from eight country offices.

18. In schedule 2 of the financial statements, UNDP reports expenditure of $1,936 million on nationally executed projects for 1996–1997, an increase of 71 per cent compared with

the $1,135 million incurred on national execution in 1994–1995. Taking into account the additional audit assurance provided by the Board's audit of direct payments, and the letters of assurance from the external auditors for the cooperating agencies, the Board had sufficient assurance to support expenditure of $1,496 million of the national execution expenditure for the biennium. For the remainder, representing some $520 million, for which no audit reports had been received, the Board had insufficient audit assurance and has accordingly restricted the scope of its opinion to exclude this expenditure. While this represents an increase in absolute terms compared with 1994–1995, when the Board reported that audit reports had not been received in respect of $366 million of national execution expenditure, the Board notes that the proportion of national execution expenditures covered by audit reports increased from 68 per cent in 1994–1995 to 73 per cent for 1996–1997.

19. Regarding the $366 million of national execution expenditure for which no audit reports were received in 1994–1995, the Board was unable to assess the extent to which UNDP had subsequently received these outstanding audit reports, because UNDP had destroyed all audit reports relating to the biennium 1994–1995.

20. **The Board recommends that UNDP retain for at least two bienniums all audit reports received on national execution expenditure to enable the Board to complete its audit of those reports that had not been received in the previous biennium.**

4. Inactive projects

21. At 31 December 1997, there was a total of some $11.8 million of advances to Governments that had been outstanding for more than a year ($10.6 million for UNDP projects and $1.2 million for trust fund projects). This was made up of outstanding advances on approximately 400 projects, some of which related to projects that had been inactive throughout the biennium 1996–1997. In a sample of 75 such inactive projects, the Board found that 35 had been reported as financially complete; 18 had been operationally complete for more than a year; and 22 were officially still active, but had not reported expenditure for more than six years. The Board welcomes the UNDP action to create a team to follow up these long-outstanding balances, but is concerned that there are inadequate arrangements for monitoring and closing completed projects. UNDP informed the Board that it will take action to close all projects with no movement for two years.

22. The Board will keep this matter under review.

5. Reserve for Field Accommodation

23. In its report on the 1994–1995 financial statements, the Board expressed concern about the management of the Reserve for Field Accommodation. UNDP shared these concerns and took a number of initiatives in 1996–1997 to address the main problem areas.

24. In 1996, the Bureau for Finance and Administration conducted an in-depth review of the Reserve for Field Accommodation. This review was based on work done by an international accounting firm, and took account of a supplementary investigation undertaken by the Division for Audit Management and Review. The Bureau identified a number of balances on the statement of assets and liabilities that were either not sufficiently represented by physical assets or, in the case of loans and rehabilitations, were unlikely to be recovered. The total of these balances was estimated to be about $14.1 million.

25. UNDP accordingly included in the 1996–1997 financial statements (schedule 6.3) a provision of $14.1 million for these potential losses. Against this provision it wrote off amounts totalling $2,595,197, relating to a loss of $1,760,454 on the sale of the Cape Verde

apartments; construction costs of $379,105 for housing in Equatorial Guinea; and unrecoverable rehabilitation costs of $455,638 for housing in Chad.

26. UNDP informed the Board that it remained committed to its policy of disposing of housing wherever possible. In 1997, it had sold the Cape Verde apartments to the Government for $1.3 million, payable in 15 annual instalments, and three houses in Namibia for $90,000.

27. In 1996, UNDP established a special payments review committee, with the participation of the United Nations Office of Legal Affairs, to review outstanding claims from contractors, which stood at $5.6 million at 31 December 1995. In August 1997, UNDP re-employed the international accounting firm to assist in reviewing these outstanding claims. Based on the recommendations of the consultants and the special payments review committee, UNDP paid $2.9 million of the outstanding claims. Of the remaining $2.7 million outstanding as at 31 December 1997, UNDP approved $0.5 million for payment in 1998 and had yet to decide on $2.2 million.

28. In its report on the 1994–1995 financial statements, the Board expressed concern that payments had been made by country offices to contractors on direct instructions from the certifying officer at headquarters and without first being confirmed by an approving officer. UNDP subsequently examined the certifying and approving officer functions to ensure that such gaps in control were closed. It has started a thorough review of certification and approval practices throughout headquarters units to clarify and re-emphasize the key elements of proper financial control and to ensure that internal checks and procedures are properly exercised and controlled. UNDP informed the Board that this review was part of a wider effort to address financial control issues across the organization and to take short and medium-term measures that would prevent similar failures occurring in future. The Board welcomes these actions by UNDP.

29. In its report on the 1994–1995 financial statements, the Board noted that UNDP had received only $3.65 million of the $12.2 million then estimated by UNDP as due from participating agencies in settlement of their share of expenses for construction projects of the United Nations system common premises. At 31 December 1997, UNDP had not received any further amounts from these agencies. In November 1997, UNDP informed the Board that it was undertaking a detailed review of the amounts due from the participating agencies, based on the final construction costs of the premises. Once this had been completed, it would issue statements to the agencies, setting out full details of what they owed. At June 1998, UNDP was still finalizing these statements.

30. In 1996, the Division of Audit Management and Review, assisted by the Bureau for Finance and Administration, began an investigation into the management of the Reserve. Over 40 individuals were interviewed or asked to complete questionnaires on matters concerning the Reserve. Thus far, two staff members have been dismissed, and 16 others have been subject to disciplinary or managerial accountability action. The matter has also been referred to the Office of Internal Oversight Services, which is investigating the actions of contractors and staff with a view to prosecution in respect of apparent irregularities in contracting.

6. Inter-Agency Procurement Services Office

31. During its audit of the biennium 1994–1995, the Board recommended that the Inter-Agency Procurement Services Office (IAPSO) should report on its activities to the Executive Board, seeking reaffirmation of its mandate as a centre for research and development on procurement related activities and as a provider of procurement services

to organizations of the United Nations system. The Board notes that the Executive Board, at its first regular session in 1996, fully endorsed the IAPSO mandate.

32. The direct procurement services provided by IAPSO have grown substantially in recent years. In 1996–1997, IAPSO procured equipment worth $111.6 million and generated reimbursable support services income of $5.7 million (disclosed in schedule 6.4 to the financial statements) by charging a handling fee to customers. The Board is pleased to note that UNDP has disclosed the full procurement activities of IAPSO in the 1996–1997 financial statements.

7. Inventory control of non-expendable property

33. Financial rule 114.28 requires the maintenance of property records and provides for physical inventories to ensure adequate control of such property. A computerized system was implemented at headquarters in 1995 and the field office inventory system has been in operation since 1993. The value of non-expendable property at 31 December 1997, as disclosed in note 2 (g) to the financial statements, was $25.6 million for headquarters and $68.8 million for the country offices. However, the Board considers that these values are based on incomplete information. Nine of the headquarters divisions and 44 of the 135 field offices failed to provide up-dated details of their inventory for inclusion in the financial statements at 31 December 1997. The Board considers that UNDP should take firmer action to ensure that all inventory returns are received.

34. The Board was concerned to note that in several headquarters units the same staff member was responsible for requisitioning equipment, receiving it and maintaining the inventory record. This failure to separate duties represents a serious internal control weakness.

35. The Office of Audit and Performance Review examined the headquarters inventory system in 1997 and found major control weaknesses. It concluded that UNDP should consider replacing the system with an application linked to an automated procurement system. UNDP informed the Board that it intended to develop the inventory module of the Integrated Management Information System (IMIS) to incorporate the audit office findings. The Board welcomes this development.

36. **The Board recommends that UNDP establish clear separation of duties between requisitioning, receipt of goods and maintenance of inventory records.**

8. Other income

37. Net other income decreased from $31.8 million in 1994–1995 to an excess of expenditure over income of $30.8 million in 1996–1997. The main reason for this reversal was that the 1994–1995 figure included a net gain on exchange of $29.6 million, while the 1996–1997 figure included a net loss on exchange of $28.8 million. The Board considers that UNDP should present the position more transparently in the financial statements, and that losses on exchange, except for exchange losses on voluntary contributions, should be charged as expenditure rather than netted off against other income. The Board accepts that exchange losses arising from voluntary contributions may properly offset the income.

38. **The Board recommends that the UNDP financial regulations be amended to require exchange losses arising other than from voluntary contributions to be charged as expenditure, as suggested by United Nations Accounting Standards, paragraph 29, and in line with practice adopted by United Nations Headquarters.**

9. Write-off of losses of cash, receivables and property

39. During the biennium 1996–1997, UNDP wrote off non-expendable property totalling $4,062,784, valued at purchase price. Items written off included vehicles, computer equipment and furniture and fittings. The amounts written off included $2,595,197 relating to the Reserve for Field Accommodation. The Board was also provided with details of write-offs of cash and receivables amounting to $53,510. The Board is satisfied with the information and explanations provided in respect of these cases.

10. Ex gratia payments

40. UNDP reported ex gratia payments of $22,596 during 1996–1997.

C. Management issues

1. Cash management

Background

41. In 1996–1997, UNDP and the funds and programmes it administers received income of some $4.7 billion and incurred expenditure of $4.5 billion on operational and other activities. At 31 December 1997, UNDP held an investment portfolio valued at $1.9 billion. The make-up of UNDP income has been changing over the last three bienniums: core income has progressively declined and total income has slowly increased. The primary cash management objective of UNDP is to preserve the value of its financial resources in United States dollar terms; UNDP does not borrow funds and the main focus of its cash management activity is therefore to maximize the interest earned on invested cash surpluses. UNDP also performs central cash management services for the United Nations Population Fund (UNFPA) and UNOPS.

42. Against this background, the Board examined the following UNDP operations: cash management policies and guidelines; processes for raising and collecting donor contributions; monitoring and controlling of advances; management of the operational reserve; and management of investments and banking arrangements and controls.

43. The Board's review centred on UNDP headquarters but visits were also made to nine country offices (in Bulgaria, Costa Rica, Uruguay, Peru, Saudi Arabia, Uganda, Viet Nam, the Philippines and Turkey) to examine cash management practices and procedures in the field.

Cash management policies and guidelines

44. The UNDP Financial Rules and Regulations cover the administration of financial resources, including the operational reserve, banking arrangements and currency management. The UNDP Finance Manual sets out the policies and procedures for day-to-day financial management. In addition, cash management guidelines, produced by the Treasury Division, set out the investment and currency management objectives and principles under which UNDP centrally manages the funds entrusted to it.

45. UNDP has not established arrangements to monitor the rate of return on investments against market rates. The Treasury Division is aware of the need to benchmark the cash management activity and has informally benchmarked its investment management performance against external comparators. **The Board recommends that UNDP monitor returns on investments against prevailing market rates.**

Income from contributions

46. In 1996, nearly two thirds of UNDP total income came from 21 major donor countries (members of the Organisation for Economic Cooperation and Development (OECD) and the Development Assistance Committee) and one third from some 135 programme (recipient) countries. Ten OECD countries were responsible for 45 per cent of the total income of UNDP and more than 80 per cent of the general fund income of UNDP in 1996.

47. Between 1992 and 1996, the total managed annual income of UNDP increased by 43 per cent, from $1.7 billion annually to $2.4 billion. However, UNDP regular resources declined from $1.1 billion in 1992 to $852 million in 1996. UNDP attributed the decline in its regular resources to the fact that major donors had restricted their voluntary contributions and had become more selective in the areas they wished to support. UNDP is considering two main ways to increase its regular resources: by increasing efficiency and transparency and thus making the organization more attractive to major donors: and by demonstrating to potential donors that countries, assisted by regular resources, are potential economic partners; and by a resource mobilization strategy, adopted in 1995, with the aims of intensifying fund raising activity, seeking more diverse sources of funding, and introducing innovative financing arrangements. The UNDP Executive Board has set the organization a target to increase its regular resources to $1.1 billion annually for each of the three years 1997 to 1999. The Board notes that in 1997 UNDP received $761 million in regular resources, falling short of the target by $339 million.

Collection of contributions

48. The Board reviewed the collection of contributions by UNDP from its major donors for 1996 and 1997. Although the year-end position for 1996 and 1997 was good, with only 3 per cent and 2 per cent, respectively, of pledges outstanding at the year end, the timing of receipts was considerably delayed. In addition, the amounts actually received against pledges were uncertain because most Governments had given only estimated pledges at the conference, some Governments had reduced or increased their pledges during the year, and exchange rate movements had eroded the value of most national currencies against the United States dollar.

49. For 1997, the $857 million originally pledged was reduced to $767 million at year end as a result of revisions to pledges and movements in the exchange rates. Of that amount, $385 million (50 per cent) was outstanding at the start of the last quarter and $101 million (13 per cent) was outstanding at the start of December, all but $18 million of which was received by 31 December. The Board considers that UNDP should examine ways in which to encourage donors to honour their pledges earlier in the year, in order to secure a smoother in-year cash flow.

Advances to agencies and Governments

50. UNDP advances funds to Governments and agencies to pay, in whole or in part, for the execution of UNDP-assisted projects under its various programmes. Year-end balances of funds not yet expended by Governments and agencies for executing projects have increased significantly in recent years, mainly because of the move towards national execution as the primary means of project delivery. At 31 December 1997, the total balance of advances to Governments and executing agencies in respect of all UNDP programmes and other funds was $270 million ($255 million at 31 December 1996 and $193 million at 31 December 1995), an increase of $77 million (40 per cent) over two years, and reflecting the significant increase in the level of national execution expenditure. The pattern of advances to Governments and agencies is given in table 1.

Table 1
Year-end balances of advances to agencies and Governments from the General Fund, 1993–1997
(Millions of United States dollars)

	1993	*1994*	*1995*	*1996*	*1997*
Advances to Governments	36	61	87	119	151
Advances to agencies	68	63	87	110	89
Total	**104**	**124**	**174**	**229**	**240**

Advances to agencies

51. UNDP advances money to agencies on a monthly basis through a bloc grant process. The UNDP Financial Rules state that advances to agencies should not exceed the level needed to cover a reasonable period of foreseen cash requirements. The Board carried out an agency-by-agency analysis of advances outstanding at 31 December 1996. Out of 38 agencies analysed, 14 (37 per cent) held balances of advances greater than $1 million, and 21 (55 per cent) held balances greater than $100,000. Twelve agencies (32 per cent) had credit balances for sums owed by UNDP.

52. The Board reviewed the reasonableness of individual balances by comparing them with expenditure demands. Assuming a monthly forward requirement to be a reasonable funding demand, the overall level of balances was nearly two-and-a-half times more than the average monthly expenditure over the previous 12-month period. This suggests that the over-advancement of funds amounted to some $61 million. **The Board recommends that UNDP define a "reasonable period of foreseen cash requirements" for its advances to agencies and regularly review the balances held.**

53. The Board found that UNDP forecasts of agency funding requirements were heavily dependent on the agencies' own forecasts. Under this arrangement, UNDP takes the agencies funding forecasts largely on trust. **The Board recommends that UNDP examine the scope for reducing the extent to which agencies are funded in advance, and where possible move to a system of reimbursing actual expenditure, thereby reducing cash flow risks and improving financial control.**

Advances to Governments

54. At 31 December 1996 and 31 December 1997, the net balances of advances to Governments on the UNDP general fund were $119 million and $151 million, respectively (see table 1 above). The Board carried out a country-by-country analysis of balances on advances outstanding at 31 December 1996. Of 146 countries and funds analysed, 19 (13 per cent) held net balances of advances greater than $1 million and 82 (56 per cent) held net balances greater than $100,000. Twelve countries (8 per cent) held net credit balances for sums owed by UNDP. The Board compared the individual balances with expenditure demands and found that the overall level of balances for advances was some 12 per cent higher than average quarterly expenditure demands over the previous year. This suggests over-advancement of funds totalling about $12 million.

55. The Board reviewed the UNDP system for monitoring and controlling advances to Governments. The advances are to cover estimated cash requirements for the ensuing three months, itemized on a project-by-project basis. Before processing a Government's request for funds, resident representatives are required to ensure that the advance requested is

reasonable and that the necessary government disbursement reports and status of funds reports have been received for all prior periods. Resident representatives must verify the accuracy of the reports and send copies to UNDP headquarters in New York.

56. Under the arrangements in operation in 1996–1997, UNDP field offices were permitted to give advances to Governments, providing that no more than two previous quarters' financial reports were outstanding. The Board found that in 1996–1997 advances totalling $43.1 million had been made by field offices while financial reports remained outstanding for previous periods. The Board notes that the revised procedures of UNDP for national execution, issued in 1998, only permit field offices to give advances to Governments on receipt of completed and signed financial reports covering the previous quarter. The Board will monitor compliance with this important requirement.

Management of the operational reserve

57. The UNDP operational reserve exists to guarantee the financial viability and integrity of the organization. The level of the reserve is set by the Executive Board, and is changed periodically. Since 1990 the reserve has been set at 20 per cent of the estimated voluntary contributions or 20 per cent of projected expenditure, whichever is higher. The composition of the reserve is periodically reviewed by the UNDP Investment Committee. Use of the reserve is limited to cover downward fluctuations or shortfalls of income, increases in costs, uneven cash flows and other contingencies that result in loss of resources for which UNDP has made programming commitments.

58. In 1997, the level of the operational reserve was $200 million, in accordance with the established formula. UNDP has used its operational reserve on only one occasion in the past three bienniums, in April 1994, when the delayed receipt of contributions necessitated the temporary utilization of $6.6 million.

59. In 1997, UNDP engaged consultants to review the level of its operational reserve. At the time of the audit UNDP was planning to present proposals to the Executive Board at its September 1998 session.

Management of investments

60. UNDP managed a total investment portfolio valued at $1.9 billion at 31 December 1997. The organization earned investment income of $202 million in 1996–1997. As well as managing its own investments, UNDP manages those of other funds, trust funds, UNFPA and UNOPS.

61. UNDP operates established procedures and controls for its management of investments, based on the objectives of achieving safety of deposits, flexibility to meet monthly liquidity requirements, and maximization of income. UNDP invests monies temporarily surplus to its operational requirements in a number of interest-bearing accounts. The bulk of its investments were in time deposits and in bonds and notes, primarily United States dollars.

62. UNDP revised its short-term investment policy and guidelines in November 1996 to reflect more fully risk management considerations. The revised guidelines made some new provisions, including a higher level of overnight investments to meet unexpected cash outflow needs; use of higher-rated institutions to minimize settlement and delivery risks on transactions; and reducing exposure to currency fluctuations. The Board endorses these actions.

2. Premises management

Background

63. UNDP occupies offices in 136 countries to accommodate some 5,000 staff worldwide. It also administers living accommodation in 26 countries to house internationally recruited staff in the field. At 31 December 1996, UNDP had capitalized expenditure of some $53 million in respect of the costs of purchase, construction and rehabilitation of offices and housing. UNDP expenditure on premises-related items (rent, maintenance, alterations, custodial services and utilities) was around $20 million a year between 1993 and 1996, about half being incurred by headquarters and half by the field offices (see table 2). UNDP is currently rationalizing its headquarters structure and plans progressively to transfer up to 20 per cent of its international headquarters staff from New York to the field. UNDP also has an important role to play in helping to take forward a United Nations proposal that all United Nations funds and programmes at country level should operate in United Nations common premises.

Table 2
Summary of annual expenditure on premises-related activity, 1993–1996
(Millions of United States dollars)

	1993	*1994*	*1995*	*1996*
Headquarters				
Rental	9.0	8.1	9.1	8.8
Maintenance	0.5	1.2	0.9	0.4
Alterations	0.4	0.3	0.7	0.2
Subtotal	**9.9**	**9.6**	**10.7**	**9.4**
Utilities	0.8	0.6	0.8	0.8
Total	**10.7**	**10.2**	**11.5**	**10.2**
Country offices				
Rental	5.1	5.1	3.9	4.6
Custodial	1.4	1.4	1.3	1.5
Maintenance	0.9	0.9	0.7	0.9
Alterations	1.5	0.9	0.5	0.5
Subtotal	**8.9**	**8.3**	**6.4**	**7.5**
Utilities	1.6	1.6	1.7	2.6
Total	**10.5**	**9.9**	**8.1**	**10.1**
UNDP worldwide				
Rental	14.1	13.2	13.0	13.4
Custodial	1.4	1.4	1.3	1.5
Maintenance	1.4	2.1	1.6	1.3
Alterations	1.9	1.2	1.2	0.7
Subtotal	**18.8**	**17.9**	**17.1**	**16.9**
Utilities	2.4	2.2	2.5	3.4
Total	**21.2**	**20.1**	**19.6**	**20.3**

64. The United Nations Development Group's Sub-Group on Common Premises and Services is responsible for overseeing each common premises project, including planning, design, financing, construction and management. One of the Sub-Group's terms of reference was to make recommendations on present and future construction or renovation needs, taking into account budget limitations and benefits of sharing common premises. The Sub-Group has contracted an international real estate management company to devise a common premises methodology, including forecasting the projected combined needs of the in-country United Nations funds and programmes; cost benefit analysis; management of common premises and services; and apportionment of costs.

65. Against this background, the Board examined the extent to which UNDP operated appropriate mechanisms to manage its real estate strategically, and whether it met its premises needs economically, having regard to making best use of the areas occupied. The audit focused on: strategic planning and management of premises assets; common premises and services; acquisition and disposal of premises; rental arrangements and expenditure; maintenance and alterations; monitoring and control of expenditure on utilities; and planning and allocation of office space. The Board's examination at UNDP headquarters was supplemented by visits to eight countries to review premises management in a variety of field conditions.

Management information

66. Country office records generally hold details of floor plans, the space occupied by UNDP, the condition of premises and the numbers of staff accommodated. The UNDP database at headquarters contains information on the location, ownership, rental and sharing of country office premises, and any planned developments.

67. For its headquarters premises, UNDP maintains cost and space information about the buildings occupied, but has no reliable data on the number of staff in occupancy. Without this information, however, the Board considers that UNDP is not in a position to carry out adequate monitoring and comparative analysis of expenditure and space utilization. **The Board recommends that UNDP maintain information on occupancy levels of its headquarters buildings in order to help control and monitor costs.**

68. Biennial budget submissions were scrutinized by the Budget Section, which subsequently monitored expenditure against the sums approved. Individual proposals for new leases and significant capital expenditure are also subject to close examination. However, UNDP has not yet developed any objectives, targets or performance criteria against which to measure the effectiveness and efficiency of its premises management. **The Board recommends that UNDP develop and adopt key performance indicators to assess the effectiveness and efficiency of field offices and headquarters in managing their real estate. These indicators should include unit cost measures relating directly to the objectives specified in an estate management strategy.**

69. UNDP informed the Board that its recent acquisition of the Aperture facilities management software will provide an effective tool to manage future UNDP premises and, through the lease database module, will facilitate management of field premises.

Common premises and services

70. Since 1987, the General Assembly, in successive resolutions, has called upon United Nations organizations and bodies to work together to coordinate their administrative and financial activities in the field and, where possible, to share their accommodation. In July 1997, the Secretary-General proposed that all United Nations entities, funds and programmes with missions at country level should operate in common premises under a single flag. In

1997, out of a total official presence in 136 countries, UNDP occupied common premises with other United Nations agencies in 49 countries and shared common services with others at some 30 duty stations.

71. The UNDP approach to promoting shared arrangements in the field was first to seek agreement with other agencies on common services and then to look for common premises to suit those needs. Draft guidelines on common premises and services, prepared by UNDP real estate consultants in September 1997, contains principles and practices for cost apportionment between agencies sharing premises and services in the field. **The Board welcomes these developments and recommends that UNDP finalize and issue the guidelines on common premises and services without delay.**

72. At the field offices visited by the Board in 1997, agreements on the nature and costs of shared facilities and services had been secured between UNDP and the other agencies concerned. The sharing of costs between agencies at the locations visited was based on space occupancy or consumption data, depending on the type of facilities or services shared.

Acquiring and disposing of premises

73. The UNDP standard basic assistance agreement with host Governments requires them to furnish the necessary office space and other premises required by UNDP and to assist in finding suitable housing accommodation for international personnel. The UNDP policy on procuring new office premises is primarily to seek rent-free accommodation under the standard basic assistance agreement. If this obligation cannot be met, UNDP may seek leased accommodation, with the host Government's assistance; it may own premises it has purchased or constructed; and it may lease space in commercial premises. When procuring office premises, UNDP seeks common premises solutions wherever practicable.

Office premises

74. During 1996, UNDP rented office premises in 88 countries at a total cost of $4.6 million (see table 2 above) and occupied 43 country offices rent free. It also rented four headquarters premises in New York for $8.8 million. At 1 November 1997, UNDP owned office premises in five countries, valued at some $7 million. At 31 December 1997, the total capitalized value of office premises constructed by UNDP was $26.4 million.

75. UNDP resident representatives are responsible for developing property proposals, including the evaluation of costs and benefits; and the Division of Administrative and Information Services is responsible for technical requirement scrutiny. Under UNDP Financial Rules, proposals to procure new premises for $100,000 or over must be scrutinized by the Headquarters Contracts Committee before approval. Proposals to renew existing leases over $100,000 are submitted to the Committee for information only.

76. The Board reviewed all submissions to the Headquarters Contracts Committee in 1996–1997 for the procurement of premises. It welcomed the use of standard guidelines for the content and format of submissions and endorsed the use of engineers and architectural consultants to assess contentious proposals.

77. The Board found, however, that the submissions varied widely in the extent to which they explored alternative options and justified the preferred procurement. The need for new premises was set out as background, rather than in a succinct statement of requirement. No submissions analysed accommodation need by comparison with UNDP space standards. Cost/benefit analyses included relevant costs, but tended not to be supported by specific non-financial factors, such as improved security and better office conditions. Cost/benefit analyses often compared the preferred option only with the existing situation, with little

or no detail about options considered and discarded. The Board considers that there was scope to tighten and sharpen presentation and analysis.

Housing

78. As at 31 December 1997, the total capitalized value of housing assets constructed or rehabilitated by UNDP was $18.1 million. UNDP policy on housing provision is for staff to make their own living arrangements and to be compensated by various allowances for the costs of securing accommodation in the field. Host Governments have an obligation to help internationally recruited field staff to find suitable housing; but where programme delivery might be impaired because suitable accommodation is not available, UNDP may take certain measures, including construction, house purchase and leasing. In January 1995, however, the Executive Board decided that UNDP should seek to divest itself of its housing assets where there was no business need for them, such as to provide safe accommodation when there were internal security problems.

79. The Board examined UNDP progress in disposing of its housing stock. In 1994–1995, UNDP disposed of 112 housing units and in 1996–1997 (to 30 September 1997) had disposed of a further 88 units, reducing its housing estate worldwide by 200 units (36 per cent) over four years. As at 31 December 1997, UNDP was administering 356 housing units in 25 countries, compared with 556 units in 36 countries at 1 January 1994. UNDP owned 54 of the housing units, leased 278 from Governments and leased 24 commercially. The Board encourages UNDP to maintain its programme of disposing of the remaining housing for which no business need can be demonstrated.

Rental arrangements and expenditure

80. From 1993 to 1996, UNDP paid some $9 million a year to rent its headquarters premises and some $5 million in rent and $1.4 million in custodial services for its 136 field office premises (see table 2 above). In addition, UNDP estimates that in 1996 the total value of offices and related facilities provided in kind by host Governments was some $6 million and the total cost of UNDP offices and related facilities in the field was some $16 million. UNDP field office rental and other administrative costs were recovered, in whole or in part, by means of each host Government's cash contribution towards UNDP local office costs. In 1996, these cash contributions totalled some $19 million, of which some $7 million had to be transferred from voluntary contributions because Governments defaulted on making direct local office cost contributions.

81. UNDP was provided with rent-free office premises in only 43 of 136 country offices. The Board is concerned at the relatively low availability of rent-free office accommodation occupied by UNDP, given the terms of the standard basic assistance agreement and UNDP policy statements. **The Board recommends that UNDP strengthen its efforts to implement its current policy with regard to seeking rent-free office accommodation.**

82. The Board's review of new leases in field offices in 1996–1997 confirmed that UNDP compared local market rents with rents paid by other organizations in the same country location. In all the cases examined, UNDP paid rents at the same, or slightly below, reported market levels for comparable premises and independent assessments had been sought in some cases.

83. The four UNDP headquarters premises cost $10.2 million in 1996 in rental and running costs. UNDP plans to move 20 per cent of its Professional headquarters staff (about 60 personnel) to country locations by 31 December 1999, and thereby secure rental savings at headquarters.

Maintenance and alterations

84. UNDP planning for maintenance and alterations work was largely geared to the two-year budget cycle and there were no longer term plans. The Board considers that adequate long-term planning of maintenance and alterations is essential to secure value for money, and to demonstrate to host Governments that UNDP is minimizing local office costs. In this respect UNDP did not carry out periodic inspections of premises to update records of building condition and help determine the need for preventive maintenance. UNDP tended to carry out work on an ad hoc or reactive basis. For example, the Board noted that UNDP expenditure on maintenance at headquarters tended to fluctuate year by year (see table 2 above), ranging from $1.2 million in 1994 to $0.4 million in 1996. **The Board recommends that UNDP prepare a forward plan for maintenance and alterations work to the premises it occupies.**

Utilities expenditure

85. Over the period 1993–1996 expenditure on utilities has been relatively constant, averaging some $750,000 a year. Field office expenditure on utilities was also relatively steady between 1993 and 1995, although it increased steeply in 1996 by some $900,000, from $1.7 million to $2.6 million (see table 2 above).

86. The Board considers that UNDP could make more use of its data on utilities costs. For example, details of energy consumption are available at field office level and within headquarters, but are not analysed for energy management purposes or to compare similar premises and their energy costs. **The Board recommends that UNDP collect and analyse energy cost and consumption data for its premises, in order to facilitate comparisons and to identify wastage and excessive costs.** UNDP informed the Board that its acquisition of the Aperture facilities management software will allow for meaningful analysis to be done regarding premises management.

Space planning and allocation arrangements

87. At 31 December 1997, UNDP occupied some 320,000 square feet in its four headquarters premises, providing accommodation for some 1,300 personnel, including staff members, consultants and other non-staff members working with UNDP. Most staff are accommodated in the DC1 and FF buildings, where space occupancy in October 1996 averaged between 150 and 190 square feet per person. UNDP does not know the total area occupied in its 136 country offices, where some 4,000 staff are accommodated. At the field offices visited by the Board, space occupancy generally fell in the range of about 150 to 200 square feet per person.

88. UNDP has defined space standards for country offices, which allocate space by staff grade. The Board reviewed space occupancy and utilization at the country offices it visited and considered that space standards were generally adhered to. However, the varied configuration of premises occupied by UNDP in the field sometimes meant that space standards could not always be strictly applied.

89. UNDP does not apply area-based space standards at its headquarters premises. The Board considers that the absence of an area-based standard impedes efficient and economical space planning. **The Board recommends that UNDP establish organization-wide standards for space occupancy, with standards flexed to take account of job function within grade.**

90. The Board notes that UNDP plans to bring all its headquarters staff together into two buildings, the DC1 and FF buildings. In the meantime, the Division of Administrative and

Information Services has been examining the scope for a more rational distribution of headquarters units and commissioned two space planning studies by external consultants, one in November 1996 and the other in October 1997. The first study highlighted an unevenness of space utilization in the UNDP headquarters premises, to which UNDP has responded by experimenting with open plan and team space occupancy arrangements and the allocation of rooms based on job function rather than grade. The Board welcomes these initiatives to create a more rational allocation of accommodation at headquarters.

3. Information management systems

Background

91. UNDP headquarters operates 15 major computer systems and both it and the country offices also use a wide variety of bought-in software and internally developed personal computer applications. At the end of 1997, UNDP had a networked personal computer on almost every desk at headquarters and in all but 10 of its 136 country offices worldwide. Since 1990 it has spent nearly $100 million on information management systems at headquarters and in the field. The UNDP budget for expenditure on information technology in 1996–1997 was some $21.2 million; for 1998–1999 it is $24.6 million.

92. In March 1994, UNDP adopted an information technology strategy which is currently being implemented by means of a Financial Information Management (FIM) project. UNDP has also committed itself to adopt and implement the IMIS applications that are being developed for the United Nations Secretariat. The FIM and IMIS projects together are intended to provide a framework for the introduction of integrated information systems throughout the organization by 1999. In June 1998, UNDP adopted a revised information technology strategy, setting out the general direction over the period 1998–2001.

93. Against this background, the Board examined progress on the FIM and IMIS projects; procurement of information technology services; and the year 2000 issue.

94. The Board undertook its review mainly at UNDP headquarters, but also visited offices in nine countries to review information technology facilities, developments and skills at field level.

Progress on the information management system projects

95. All current information systems development is being undertaken under the FIM and IMIS projects. The FIM project comprises a group of sub-projects relating mainly to the management of programmes by country offices and headquarters; its major component project is the field office financial information management system. The IMIS project comprises a group of sub-projects relating to central corporate finance and administrative and human resources management systems; its major component project is the finance application. The Board reviewed UNDP progress during 1996–1997 in delivering the FIM and IMIS projects to planned cost, time and specification.

96. UNDP estimates of the overall costs of its 1994–1999 information management programme almost doubled between December 1996 and May 1997, from $24 million to $47 million: the estimated cost of the FIM/IMIS projects rose from $15 million to $29 million and the estimated cost of system maintenance increased from $9 million to $17 million. These costings excluded the costs of UNDP staff. UNDP attributed these increases to two factors: a more accurate definition of information management requirements, which have grown over time; and the inclusion of costs which managers had previously excluded because they were not clearly predictable.

97. In May 1997, UNDP calculated that it needed some $3 million more than budget to meet expenditure on planned FIM systems development in that year. Operational needs and delivery priorities for FIM projects were consequently reassessed to keep spending within budget. At April 1998, UNDP had a planned expenditure requirement for the IMIS project of about $1.5 million above the budget allocation.

98. The Board is concerned at the inaccuracy of these initial budgets and suggests that UNDP exercise more care in budget preparation, drawing on lessons learned from past errors.

99. The Board noted that many projects were justified mainly by operational need. Financial and non-financial benefits were seldom identified and taken fully into account in the statement of case. **The Board recommends that UNDP standardize its procedures for investment appraisal of information technology projects to take full account of financial and non-financial benefits, as well as operational requirements.**

100. Project monitoring reports do not identify or analyse expenditure against estimates and budgets. The Board considers this a serious omission, which weakens cost control and makes project managers less accountable for their performance. **The Board recommends that UNDP ensure that project status reports include summaries of project expenditure against lifetime and biennial budgets.**

101. The Board examined project delivery for the FIM application, and three major sub-projects (the headquarters Project Financial Management System (PFMS); the Executive Information Management System (EIMS); and the Electronic Document Management System (EDMS).

Financial Information Management

102. The FIM application is the UNDP country office system for operational programme management and the means by which field data are transferred to the UNDP central database. It consists primarily of an expenditure module, which will be progressively released in 1998 to UNDP field offices; and a budget module, which, although originally planned for implementation in January 1997, was not in fact made available until July 1997, nearly six months behind schedule and then to only about two thirds of the UNDP country offices. Several planned functions and enhancements also had to be left out in order to speed up implementation. By April 1998, the budget module was installed in 70 countries, but in full use by only 5 of them. Full implementation of both modules is not expected until the end of 1998.

103. The Board is concerned at the delays in implementing this key financial application and at the low take-up. **The Board recommends that UNDP encourage country offices to begin operating the budget module at the earliest opportunity.**

104. The Board was unable to establish how much UNDP had spent on the FIM project to date or what it expected to spend in total. In April 1997, UNDP estimated the total external costs of FIM would be over $10 million for the six-year period 1994–1999.

Project Financial Management System

105. PFMS records and reports operational programme information about project budgets and expenditures. UNDP developed an enhanced reporting module for PFMS during 1995 and 1996, using its own staff for design and analysis work and contracting out the development work to a consultant for $248,000. UNDP had planned to implement the module in March 1996 but did not do so until December 1996, nine months behind schedule. The delay was mainly owing to technical development problems.

106. UNDP envisaged that the FIM system would be able to exchange data with PFMS, thereby eliminating the inefficient and time-consuming manual entry into PFMS of project budget data received from country offices. In February 1996, a target date of 1 January 1997 was set to establish full data transfer between the two systems. Owing to delays in the design and development of FIM, the interface was not implemented until November 1997, however, 10 months later than target. By April 1998, only four country offices were transferring data between the systems. Some offices were reluctant to take on the extra data entry work required by PFMS; and for some offices UNDP headquarters had to screen and clean the FIM system data.

107. In April 1997, UNDP estimated the total external cost of the PFMS project between 1994 and 1999 to be some $1.1 million. Because the UNDP financial systems did not report costs by project, the Board was unable to establish whether the different elements of the project had been delivered to planned cost.

Executive Information Management System

108. The EIMS project was intended to provide senior management with selected information to improve high-level decision-making and to highlight matters requiring senior management attention. Senior management's information needs were surveyed between June 1995 and January 1996 and in May 1996 UNDP engaged consultants to develop a prototype system by the end of 1996. In April 1997, UNDP estimated the total costs of the project would be some $1.6 million.

109. The slow progress of the project was largely due to the many changes made during 1996 to the design and specification of the system prototype. At the end of 1996, UNDP had spent $774,000 on the project, excluding UNDP staff costs, before deciding to terminate it in 1997. The Board is concerned at the high level of spending and design effort invested in the EIMS project to produce a prototype system that had to be abandoned.

Electronic Document Management System

110. The EDMS project was a feasibility and pilot study to develop an improved filing system and determine the best technology for supporting this. The project was planned to begin in February 1996, with UNDP-wide implementation from January 1998 onwards, at a total cost of $1.7 million, excluding UNDP staff costs. By January 1997, the project was running behind schedule and was still in its design phase, mainly because the definition of user requirements had taken much longer than expected. In mid-1997, UNDP decided to put EDMS on hold: the design work had been completed at that point and over $800,000 had been spent on the project. UNDP plans to continue developing the system when more resources are available.

Integrated Management Information System project delivery

111. The IMIS project comprises four main elements: finance, human resources, entitlements and payroll. UNDP estimated in December 1997 that the finance application would cost some $5 million over the five-year period 1995–1999 to develop and implement. UNDP expects to implement the application progressively between July 1998 and January 1999, one to two years later than originally planned. The human resources application was implemented in February 1996 at a cost of $2.6 million; and the entitlements and payroll elements, both running some two years late, are now expected to be implemented in June 1998 and early 1999, respectively, at a combined estimated cost of some $1.1 million. It is particularly important that the financial application should be ready by January 1999 as it is expected to address the year 2000 problem for the UNDP main systems.

112. UNDP is implementing IMIS in collaboration with the United Nations Secretariat, UNICEF and ILO. The parties consult and agree on common software design and enhancements to ensure there is no significant divergence of common functions. UNDP progress with IMIS also depends on the implementation timetable of the United Nations Secretariat. The Board noted that, although the Secretariat originally expected to implement its IMIS applications in 1994, this is not now expected to be complete until 1999. The United Nations group of applications has also had to be adapted by UNDP to meet all its headquarters' requirements.

Procurement of information technology services

113. The general aim of UNDP has been to use internal staff to manage systems development as much as possible, bringing in technical consultants for such discrete tasks as programme design, programme conversion and the development of desk procedures and training. This strategy seeks to retain and promote in-house expertise. UNDP has sought to procure technical services either under fixed price contracts (e.g., for software) or on a time and materials basis (e.g., for systems design and analysis). It aims to make maximum use of off-the-shelf systems, adapted to UNDP needs, rather than involving full-scale customized design.

114. In practice, during 1996–1997 UNDP was heavily reliant on a single firm of consultants for the development of its IMIS systems, although it sought to reduce this dependency by using its own staff and bringing in resources from other firms. In developing the IMIS human resources application, UNDP drew roughly half of its resources from the firm of consultants and the other half from other external consultants and in-house staff. A similar balance was being achieved in the development of the IMIS finance application. The Board supports UNDP efforts to reduce its dependency on a single firm.

115. UNDP first contracted with the firm of consultants in 1994 to support the development and implementation of the human resources and entitlements modules. Since then, UNDP has periodically extended the original contract to cover development work on other IMIS applications. Successive contract extensions define the work required and the price agreed for each systems development stage. In January 1996, UNDP applied a blanket waiver of competitive bidding for these contract extensions on the grounds that the firm of consultants was developing IMIS for the United Nations Secretariat and no other firm could enter the process without threatening the integrity of common software development. The UNDP Headquarters Contracts Committee endorsed this waiver on condition that the fee charged by the contractor continued to be priced at the standard rate for contracts of the Government of the United States of America with the United Nations. UNDP informed the Board that the value of the IMIS contract was $460,000 during the biennium 1996–1997, and the contract value for 1998 was some $2.9 million with the same contractor.

116. The Board found that the contract for technical support for UNDP development of the FIM global budget module, valued at $562,302, had also been awarded to the same firm of consultants under a waiver of competitive bidding. This waiver was proposed on the grounds that the procurement was extremely urgent and was approved by the Headquarters Contracts Committee in June 1996 on condition that contracts for subsequent development phases be put to competitive bidding.

117. The Board found that for both the IMIS and FIM contracts the firm of consultants was engaged to supply hours and not to deliver specific products. The contractor also billed UNDP monthly for time spent instead of being paid on the achievement of agreed targets or milestones. **The Board recommends that UNDP should ensure that future contracts provide for payments to be linked to the achievement of specific targets and goals.**

Year 2000 issue

118. The Board undertook a study to assess the preparedness of UNDP for managing the year 2000 issue, which threatens all information systems.

119. In 1997, UNDP formulated a strategy for dealing with the year 2000 issue, and also assigned specific roles and identified a focal point. UNDP has issued guidelines to help individual units and local managers to assess their year 2000 exposure, and set up a web-site with information about the year 2000 problem. From its visits to country offices, the Board found that awareness of the issue varied and local mangers generally viewed the problem as one that affected mainly headquarters systems.

120. The UNDP review of the likely extent of the problems concluded that the main risks were in its headquarters mainframe systems; and this diagnosis was confirmed by later analysis, which estimated the total cost of recoding the mainframe computer programmes at about $2 million. UNDP was in the process of replacing three of its headquarters systems, the investment subsystem, local staff pension fund and budget formulation, with new, year 2000 compliant, systems.

121. UNDP considered a number of options for addressing the year 2000 issues, from recoding flawed software to purchasing, substituting or developing a replacement system. It concluded that recoding its year 2000 non-compliant software was not viable for its mainframe systems and decided the best way forward was to implement the IMIS finance application early in 1999. UNDP also identified the need to convert a number of finance-related systems, and was in the process of replacing its vendors and personal computer applications during the period 1998–1999 with year 2000 complaint systems.

122. At the end of 1997, however, UNDP was still investigating and assessing the extent of possible year 2000 issues in its vendor and personal computer applications, at headquarters and in the field. It plans to supply all its country offices with analytical software to assess the extent of year 2000 problems and to establish, by the end of 1998, a complete picture of the need for conversion or replacement of systems and equipment during 1999. UNDP also plans to deal with some of the problems in country offices and headquarters through its existing systems upgrade programme.

123. UNDP had made variable progress in identifying and mitigating the impact of year 2000 issues for the general office systems and equipment it utilizes, such as security systems, elevator systems and air conditioning systems. With its telecommunications systems, for example, UNDP plans to ensure its supplier certifies its equipment for year 2000 problems. UNDP plans to have all systems made year 2000 compliant by April 1999.

124. The Board considers UNDP is leaving itself with considerable system rectification or procurement work to do in 1999. UNDP risks significant organizational and administrative disruption should it fail to have systems fully proofed against the year 2000 problem or to have devised ways to work around its effects. **The Board recommends that UNDP ensure that all systems are tested for year 2000 compliance, with sufficient lead time to correct any deficiencies.**

4. Change management

Background

125. UNDP has committed itself to a programme of integrated organizational and managerial change. This initiative – known as "UNDP 2001" – is expected to cost about $21 million over the four years 1996 to 1999. The aim is to align the UNDP vision and mission more closely with its structures and procedures, thereby enabling the organization to respond more effectively to demands from programme countries and to maintain and

improve its position as a provider of development aid. The guiding principle of UNDP in the change process is decentralization and the empowerment of its staff, which is expected to lead to greater accountability, to a strengthened organizational structure and to improvements in operational and administrative efficiency and effectiveness.

126. Major elements of the UNDP 2001 programme include the establishment of up to 17 subregional facilities, the transfer of 20 per cent of headquarters Professional staff to country locations, the adoption of simplified and more robust business procedures and the introduction of a new accountability framework. All these changes are being undertaken against the background of wider reform at the United Nations.

127. Against this background, the Board reviewed the UNDP change initiative at its half-way stage, focusing on progress achieved to date; costs and benefits of the initiative; how the change process was being managed; and monitoring and evaluation of results. The Board mainly examined the work of the various project teams at UNDP headquarters, but it also visited nine country offices to assess the impact of the change initiative in the field.

Progress with the change management initiative

128. The UNDP change process comprises two main stages: design and implementation. The design stage included a five-month preparatory phase (March to July 1996) to establish a framework for the change process; and a mapping and analysis exercise (July 1996 to May 1997), based on specific projects, to identify change options and draw up initial implementation plans. Implementation began in May 1997 and is expected to continue until 31 December 1999.

129. This timetable is longer than had originally been envisaged in May 1996, when the whole change initiative was expected to last 18 months, from February 1996 to November 1997. This forecast had to be substantially revised in May 1997, when the results of the mapping exercise showed that UNDP had significantly underestimated the scale of business reengineering likely to be required.

130. The Board reviewed overall progress with change implementation. Major actions achieved by 31 December 1997 included:

(a) Reducing the number of business units from 15 to 7;

(b) Bringing together the functions of planning, budgeting, human resources and information management;

(c) Establishing an operations support group to help coordinate UNDP field operations and streamline policies and procedures;

(d) Design of a new accountability framework for UNDP;

(e) Delegation of project approval authority to field offices.

131. However, the Board found a number of areas where implementation had been slower than envisaged:

(a) Although 5 of the 17 new subregional facilities were to have been established by 31 December 1997, these are not now expected to be operational until mid-1998;

(b) The decentralization to field offices of the recruitment and management of medium and longer-term consultants took three months longer than expected;

(c) UNDP had planned to introduce by July 1997 a five-day response time for headquarters' dealings with country offices. Final implementation proposals are not now to be considered until September 1998.

132. While recognizing the significant progress achieved, the Board considers it important to maintain momentum by adhering to a tight timetable.

Cost estimates

133. UNDP estimated the total cost of the initiative in May 1997, and subsequently established budgeted costs for discrete phases and elements of the initiative as they evolved. UNDP initially estimated expenditure of $4.4 million for an 18-month change initiative programme, comprising $3 million for design and $1.4 million for implementation. The estimate for implementation included only those costs UNDP was relatively certain about. The Board calculates that UNDP spent some $5 million on the change process from May 1996 to December 1997, $3.4 million on the design stage and $1.6 million on initial implementation. UNDP plans to spend some $16.5 million on implementation in the biennium 1998–1999, making the total cost to the organization some $21.5 million on current plans.

134. UNDP is funding most of the change management costs from existing biennial budgets and a trust fund for the implementation of change. In May 1997, UNDP identified a funding gap of some $6.6 million, which by April 1998 had increased to $9 million, some $3 million of which is expected to be met by donors. The Board notes that a $6 million to $9 million funding deficit represents a shortfall of between a third and a half of total estimated costs.

135. The Board recommends that UNDP establish clear arrangements for funding the full costs of the change management initiative.

Change process management

136. In April 1996, UNDP set up a separate organization to manage the design stage of UNDP 2001, the aim being to ensure that the change process could be progressed without disturbing normal business activities. The organization comprised:

(a) A Change Management Committee responsible for providing direction and guidance;

(b) The UNDP 2001 core team responsible for day-to-day management of the change process;

(c) Seven change project teams, responsible for carrying out individual change projects to agreed specification, timetable and budget.

137. The UNDP 2001 core team prepared outline project briefs in June 1996, which included a time-frame for mapping and analysis work, specified the aims and activities for each of the seven projects and considered the links between them. The project profiles also included brief statements of success criteria, which the project teams were expected to develop as the work progressed. The Change Management Committee considered it important that all projects should be evaluated on the basis of clear results-based measures.

138. The project teams were all operational by August 1996 and submitted their reports to the Change Management Committee in December 1996. The seven change projects were:

- Funding strategies and partnerships;
- Strategic development services;
- Efficiency, results orientation and accountability;
- Management and organization structure;
- Human resource development;

- Information needs management and technology;
- External communications and public affairs.

139. Proposals emerging from the projects were subsequently considered by the Executive Committee, which adopted 71 change project recommendations in January 1997. During March and April 1997, the UNDP 2001 core team produced a consolidated implementation plan, which set target dates, identified the units responsible for implementation and provided cost estimates. The plan also set milestones for each implementation phase to enable the Executive Board to monitor progress and assess the impact of the changes made.

140. The Board found that, generally, the financial benefits expected from the change process had not been identified. No detailed or aggregate quantification of benefits was included in the change project submissions, or the framework document or the implementation plan. The Board is concerned that without this information UNDP will not be able to identify the key changes most likely to improve efficiency and effectiveness. **The Board recommends that UNDP assess the financial and non-financial benefits expected to flow from its change programme and use this assessment to carry out a full investment appraisal of the change initiative.**

Compacts

141. UNDP has instituted three types of compacts: between the Administrator and the lead change units; between regional directors and resident representatives; and between individual units. The first two are a mandatory feature of the new UNDP management and accountability arrangements. The compacts detail the change process and ongoing business objectives and provide a baseline for annual accountability and performance measurement. The 11 compacts between the Administrator and the lead units responsible for implementing change actions were signed between February and May 1998.

142. The Board reviewed these compacts and fully supports UNDP inclusion in them of specific, time-bounded and agreed objectives and actions. The Board also welcomes UNDP efforts to establish success indicators.

Involvement of management and staff

143. From the outset UNDP intended that participation would be a key feature of the UNDP 2001 initiative and sought to manage the change process so as to involve the widest possible number of its staff in discussions. Nearly 200 UNDP staff were closely involved during the design stage of the UNDP 2001 initiative and some 400 individual staff contributed to the change process by means of workshops, feedback sessions and informal communication.

144. In 1996, UNDP carried out a global staff and management opinion survey during the design stage of the change initiative in 31 country offices and 11 organizational units at headquarters, and involved over 1,200 UNDP staff. The survey indicated that most staff were in favour of decentralization of responsibility and authority to the country level. The Board welcomes such surveys as an important means of monitoring staff attitudes during the change process and as a source of information to assist UNDP in its evaluation of that process in due course.

145. At the country office level, resident representatives and managers at the field offices visited by the Board were clear about the direction of the UNDP 2001 initiative and generally welcomed the organizational and cultural changes proposed.

Management of external consultants and advisers

146. UNDP engaged some 13 different firms or individuals as external consultants during the design stage of the UNDP 2001 initiative. The UNDP approach was to employ consultants either as change process facilitators or for specific change project exercises, retaining ownership and control of the change process within UNDP itself.

147. The UNDP contract with its main consultants did not set out the number of contracted work days to be spent on specific activities: it merely specified an overall ceiling. The Board considers that this provided poor control, failing to address the risk that unnecessary or excessive work might be undertaken in some areas without UNDP being able to detect and correct it.

148. UNDP ceased employing its main change consultants in August 1996, in part because UNDP had not been completely satisfied with the work of the individuals provided. It did, however, retain the services of the chairman of the firm on a fixed-fee basis, at a total cost not to exceed $200,000 for the period from September 1996 to May 1997. His continued presence was regarded as essential to sustain the momentum and continuity of the change process, and because of his stature in the industry. The fee rate negotiated was independently assessed for reasonableness by a firm of accountants.

149. The Board is concerned at some aspects of this contract, particularly following the unsatisfactory performance of the firm, which the individual headed. In addition, the Board considers that UNDP could have done more to assess and demonstrate the value for money of this appointment, for example, by more fully assessing the merits of going out to competitive tender.

Monitoring and evaluation of the change process

150. UNDP plans to undertake a full evaluation of the change process between July and September 1999. In the meantime, the Board considers there is scope for UNDP to develop key performance indicators for major change management activities and outcomes, and to include them in the implementation plan and compacts between the Administrator and line units as an aid to future monitoring and evaluation. In the Board's view, current performance indicators and performance measures in the implementation plan and the compacts are weak and in need of further refinement. The Board also considers that relevant performance indicators should be linked directly to the objectives of the change process. **The Board recommends that UNDP develop appropriate performance indicators and measures to assess specific change implementation activities, relating these directly to the main objectives of the change process.**

5. Cases of fraud and presumptive fraud

151. The Board was informed of 39 cases of fraud involving amounts totalling $694,776, of which UNDP has recovered $191,687. In 6 of the cases UNDP had yet to determine the amount of the fraud, and in 10 of the cases UNDP was satisfied that no financial loss had occurred. In each of the 35 cases involving staff members, disciplinary action was taken.

D. Acknowledgment

152. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended to its staff by the Administrator and staff of the United Nations Development Programme.

(*Signed*) Vijay Krishna **Shunglu**
Comptroller and Auditor General of India

(*Signed*) Osei Tutu **Prempeh**
Auditor-General of Ghana

(*Signed*) Sir John **Bourn**
Comptroller and Auditor General of the
United Kingdom of Great Britain
and Northern Ireland

15 July 1998

Annex

Follow-up on action taken by the United Nations Development Programme to implement the recommendations of the Board of Auditors in its report for the biennium ended 31 December 1995[a]

I. Recommendation

1. UNDP should supplement its existing approach by ensuring that all [national execution] projects with significant expenditure are audited independently (paras. 9 (a)).

A. Measures taken by the Administration

2. UNDP agreed to review the audit strategy and possible changes required to financial regulation 17.2, concerning the external audit of national execution projects. The audit strategy suggested by the Board of Auditors for the 1996 audit exercise has been implemented as scheduled. The Office of Audit and Performance Review, and the Bureau for Finance and Administrative Services undertook a review of financial regulation 17.2, and concluded that no changes were required.

B. Comments of the Board

3. The Board welcomes the implementation of the new audit strategy. However, the Office of Audit and Performance Review received insufficient audit reports for the biennium 1996–1997 and the Board comments on this in more detail in its present report.

II. Recommendation

4. UNDP should establish appropriate controls to coordinate and monitor payments made in the field and at headquarters [for the construction contracts under the Reserve for Field Accommodation] (paras. 9 (b)).

A. Measures taken by the Administration

5. UNDP has established a working group to address the breakdown in controls, including monitoring and oversight. UNDP is examining the certifying and approving officer functions. With respect to the Reserve for Field Accommodation, all payments for construction contracts are subject to review by a special payments review committee. The Bureau for Finance and Administrative Services Policy and Control Unit has developed and is piloting a specific policy on expenditure control. The Policy and Control Unit is responsible for the design and maintenance of a risk management programme, an important part of which is a new internal control framework. The specific policy on expenditure control is a first step towards the development of the new internal control framework, which is designed to be self-regulating. This action aims at a long-term sustainable effort to ensure effective financial control.

[a] *Official Records of the General Assembly, Fifty-first Session, Supplement No. 5A* (A/51/5/Add.1), chap. II, paras. 9-14.

B. Comments of the Board

6. The Board welcomes the establishment of the Special Payments Review Committee to monitor payments to contractors. The Board comments on further measures taken by UNDP in its present report.

III. Recommendation

7. UNDP should ascertain whether any payments to contractors, subcontractors or the architect were outside the terms of the contracts and, if so, should take appropriate recovery steps (paras. 9 (c)).

A. Measures taken by the Administration

8. In February 1996, UNDP engaged an architect to provide an independent assessment of the construction works. UNDP started an in-depth review into the contractual arrangements with the architect in question and his performance under the contracts. UNDP has ascertained that payments were made in some instances outside the terms of the contract. Recovery steps are pending the outcome of the investigation by the Office of Audit and Performance Review and the Office of Internal Oversight Services (OIOS).

B. Comments of the Board

9. The Board notes the UNDP commitment to recovering payments made outside the terms of the contract and awaits the outcome of the investigation by the Office of Audit and Performance Review and OIOS.

IV. Recommendation

10. UNDP needs to establish standards of the capacities of Governments to manage and deliver national execution projects. Country offices, in association with Governments, need to assess Governments' existing capacities against those standards (paras. 10 (a) and (b)).

A. Measures taken by the Administration

11. UNDP will set standards for capacity assessments as part of its policy document on national execution and will issue better-defined capacity assessment guidelines as part of its revised programme and projects manual. UNDP has developed a capacity checklist for national execution to be used in the design phase of a project. This checklist covers standards for capacity in the managerial, technical, finance and administrative areas.

B. Comments of the Board

12. The Board is pleased to note that standards have been set and that these are set out in a checklist. The Board will monitor how the standards are applied.

V. Recommendation

13. UNDP, in association with Governments, needs to formulate projects designed to deal with any gaps or weaknesses in Governments' capacities to bring them up to the required standards (para. 10 (c)).

A. Measures taken by the Administration

14. UNDP has initiated regional workshops to strengthen the capacity of country offices and Governments in procurement activities. In 1996, UNDP organized three regional workshops on monitoring and evaluation and was also developing arrangements with the World Bank to train senior officials in programme countries in monitoring and evaluation. UNDP has developed a list of requirements for execution ("capacity checklist for national execution") to be used in the design phase of a project. This list is intended as a tool to help find solutions to enhancing these capacities. Support for global training in conjunction with the new procedures on national execution is envisaged. Preparations for training on the new procedures are in progress.

B. Comments of the Board

15. The Board notes these developments, including the establishment of workshops on monitoring and evaluation, and looks forward to seeing the formulation of projects designed to address gaps or weaknesses in government capacities.

VI. Recommendation

16. The objectives of national execution should be clearly defined to provide a closer link with overall development aims of UNDP (para. 11 (a)).

A. Measures taken by the Administration

17. UNDP concurred with the need to establish clearly-defined objectives for national execution and was preparing a policy document for submission to the Executive Committee, which would address this issue and define a clearer strategy for the further expansion of national execution. The revised national execution procedures, which were issued in March 1998, explicitly state the agreed objectives of the Consultative Committee on Programme and Operational Questions as objectives for national execution. The new national execution procedures will be incorporated in the programming manual during 1998.

B. Comments of the Board

18. The Board will review these developments.

VII. Recommendation

19. UNDP should issue new guidance on national execution which reflects all the relevant legislation and national execution's objectives and which strengthens and delineates UNDP accountability requirements (para. 11 (b)).

A. Measures taken by the Administration

20. UNDP is revising the programme and projects manual in order to simplify procedures, reconcile conflicting instructions and eliminate ambiguities concerning national execution. Revised procedures for national execution were issued in March 1998, and will be incorporated in the manual.

B. Comments of the Board

21. The Board will review the programme and projects manual when it is finalized.

VIII. Recommendation

22. UNDP should re-emphasize the need to assess Governments' capacity to undertake national execution projects. UNDP should develop capacity assessment guidelines, incorporating standards of Governments' capacity to undertake national execution projects, [and provide training to country offices and Governments] to help them carry out strategic capacity assessments (paras. 11 (c) and (d)).

A. Measures taken by the Administration

23. UNDP agreed that national capacity assessments needed to be strengthened in terms of scope, frequency and quality and that roles and responsibilities needed to be clarified. UNDP will set standards for capacity assessments as part of its policy document on national execution and will issue better-defined capacity assessment guidelines as part of its revised programme and projects manual.

B. Comments of the Board

24. The Board looks forward to the issue of the policy document, which will set standards for capacity assessments.

IX. Recommendation

25. UNDP should establish an evaluation strategy to provide a comprehensive assessment of the progress and achievements of national execution (para. 11 (e)).

A. Measures taken by the Administration

26. The UNDP approach consisted of a combination of internal reviews and external evaluations to identify experiences and highlight new issues for subsequent evaluations. The 1997 evaluation workplan prepared by UNDP includes studies on cost-effectiveness, sustainability and self-reliance. UNDP submitted to the Executive Board 1997 annual session its strategy for assessing progress and achievement for national execution.

B. Comments of the Board

27. The Board welcomes the evaluation workplan and the strategy for assessing national execution.

X. Recommendation

28. UNDP should initiate thematic evaluations of sustainability, capacity-building and cost-effectiveness, incorporating direct comparisons, where possible, between national execution and other execution approaches (para. 11 (f)).

A. Measures taken by the Administration

29. The 1997 evaluation workplan includes studies on cost-effectiveness, sustainability and self-reliance. The Evaluation Office has looked at issues of sustainability, impact on capacity-building in project evaluations since 1993. Trend analysis and evaluation reports addressing these issues are provided every two years. Furthermore, the Evaluation Office included these issues in the two recent evaluations related to national execution (1995) and co-financing (1996). In 1998, through the evaluation of programme approach, these issues are again being addressed, with comparison between national execution and other modalities.

B. Comments of the Board

30. The Board looks forward to seeing comparisons between national execution and other execution approaches, with assessments of their respective sustainability, capacity-building and cost-effectiveness.

XI. Recommendation

31. UNDP should initiate a further review of the utilization and impact of the Technical Support Services (TSS 2) facility (para. 11 (g)).

A. Measures taken by the Administration

32. The TSS 2 facility will be studied as part of a review of recent experiences of the support cost arrangements. New instructions will include a mandatory requirement for each national execution project to contain budgetary provisions for technical backstopping or participation by a specialized agency in a review of the project during implementation. From January 1997, the Support for Technical Services (STS) facility replaced TSS-2. In planning the use of STS resources, the particular needs of nationally executed projects should be taken into account. Each nationally executed project being planned must be reviewed to ascertain the need for technical backstopping or participation from specialized agencies/commissions. Technical services for monitoring and evaluation would normally apply to large-scale projects and projects of special complexity. The stage of implementation of the project should also be taken into account when planning for the use of STS resources.

B. Comments of the Board

33. The Board is pleased to note these developments.

XII. Recommendation

34. UNDP should develop, in association with the agencies, the information systems required to collect data for national execution performance indicators (para. 11 (h)).

A. Measures taken by the Administration

35. UNDP is giving priority to accelerating the development of appropriate systems for the performance indicators and has engaged a consultant to develop such indicators. UNDP plans to integrate performance indicators for support cost arrangements and national execution with other performance benchmarks for UNDP programmes. UNDP has developed new procedures for national execution. UNDP has also developed guiding principles on how

to develop performance indicators for all projects, whatever the modality of execution may be.

B. Comments of the Board

36. The Board looks forward to further improvements in the development of performance indicators.

XIII. Recommendation

37. UNDP should carry out work measurement exercises of country offices' activities to help strengthen its budgetary formulation process at the local level, provide benchmarking data for country offices and compile standard performance indicators. UNDP should develop a means of reporting achievement of the activities provided for in the budget (paras. 12 (a) and (b)).

A. Measures taken by the Administration

38. UNDP acknowledges the importance of independent work measurement exercises for country offices. UNDP told the Board that one of the projects it was pursuing as part of the management of change initiative concerned the "country office of the future", through which it would review office structures and establish benchmarks and standard performance indicators for country offices. The "country office of the future" project is currently in progress. It is being pursued in the context of implementing UNDP 2001 change management and will include standard performance indicators.

B. Comments of the Board

39. The Board looks forward to further developments in reporting the achievement of activities.

XIV. Recommendation

40. UNDP should ensure that there is a clear and demonstrable analysis of the mandates of the funds and their contribution to all of UNDP corporate objectives (para. 13 (a)).

A. Measures taken by the Administration

41. The Sustainable Energy and Environment Division of UNDP has been developing such an approach for its activities, which include three of the funds reviewed (GEF, the Multilateral Fund for the Implementation of the Montreal Protocol and UNSO). The mandate and the work programme of the funds were reviewed in the context of the Division's Centre of Experimentation and the overall change management process of UNDP. It was decided that the funds related to environment and would remain within the Division/Bureau of Development Policy. This arrangement will be reviewed in one year. The products that result from the work of the funds and their relevance to the four priority areas of UNDP were further clarified in the discussions of narrowing the focus: UNDP core development services. The UNDP contribution in terms of institutional support to the work of UNSO is now fully funded from the global programme. Integrated work planning will continue.

B. Comments of the Board

42. The Board notes these developments.

XV. Recommendation

43. UNIFEM and UNCDF should draw up a strategy, setting out their long-term business objectives and approaches for achieving their mandate and objectives (para. 13 (b)).

A. Measures taken by the Administration

44. UNIFEM presented its business plan for the period 1997–1999 to the UNDP/UNFPA Executive Board in May 1997. The Board endorsed the plan and UNIFEM is now engaged in its implementation. UNCDF continues to implement an action plan that emerged out of the recommendations of a 1996 external capacity assessment. In March 1997, UNCDF published its first annual business plan setting short, medium and long-term business objectives and approaches for achieving the mandate and objectives of the 1995 UNCDF policy paper.

B. Comments of the Board

45. The Board welcomes these developments.

XVI. Recommendation

46. UNDP and UNIFEM should prepare and implement a plan, with a clearly defined timetable, to replace the UNIFEM budget management system with a system which is integrated with UNDP's main financial system (para. 13 (c)).

A. Measures taken by the Administration

47. The Administrator has proposed that UNIFEM replace the budget management system with the UNDP project financial management system. UNIFEM, in consultation with the Bureau for Finance and Administrative Services is moving towards adaptation of FIM to meet the Fund's requirements. In addition, discussions are under way to link the UNIFEM FIM, which is to be developed, to the UNDP project financial management system. This will provide UNIFEM with the necessary control on resource allocation, while the project financial management system will provide detailed information on programme expenditure and reports.

B. Comments of the Board

48. The Board is disappointed that further progress has not been made to ensure full integration of the UNIFEM budget management system with the main UNDP financial system.

XVII. Recommendation

49. UNDP should establish a monitoring and evaluation strategy [for the funds and trust funds], with clearly defined criteria for selecting programmes for joint monitoring reviews and projects for evaluation (para. 13 (d)).

A. Measures taken by the Administration

50. UNDP has recently developed draft terms of reference for monitoring reviews to be undertaken jointly with Governments and the beneficiaries during the course of country programmes. In addition to work under progress with GEF and Capacity 21, UNDP has also refined, with the Montreal Protocol secretariat, their monitoring and evaluation systems.

B. Comments of the Board

51. The Board looks forward to further developments in the establishment of a monitoring and evaluation strategy for the funds and trust funds.

XVIII. Recommendation

52. The Division for Audit and Management Review's non-audit function of updating manuals should be transferred to an operational unit (para. 14 (a)).

A. Measures taken by the Administration

53. Transfer of the non-audit function to the Division for Operational Policies and Procedures was completed in February 1997.

B. Comments of the Board

54. The Board is pleased to note that the function of updating manuals is now undertaken by an operational unit.

XIX. Recommendation

55. In drawing up its plans, the Division for Audit and Management Review should assess and record the resource implications and skills needed for the work proposed, taking account of ad hoc demands (para. 14 (b)).

A. Measures taken by the Administration

56. Workplans of the Office of Audit and Performance Review, formerly the Division for Audit and Management Review, include an assessment of resource implications in both financial and staff time. The adoption of a time reporting system is assisting the Office track the use of staff time and to manage better the application of staff time. Monitoring of consumption of allocated financial resources is ongoing. Coordination amongst UNDP audit sections, as well as between audit services of the United Nations system, have resulted in savings. The office, in cooperation with UNESCO, used UNDP/Office of Audit and Performance Review contracting experience as a means to reduce the cost of contracting for audit services in several offices in Africa.

B. Comments of the Board

57. The Board is pleased to note these improvements.

XX. Recommendation

58. The Division for Audit and Management Review should clearly document the criteria used to select subjects proposed for review; the criteria should include materiality, known and potential risks and the timelines of the proposed audit (para. 14 (c)).

A. Measures taken by the Administration

59. The work plan for 1997 was developed taking into account the responses to a client consultation.

B. Comments of the Board

60. The Board will review these changes in due course.

XXI. Recommendation

61. All audit sections should produce long-term audit plans identifying proposals covering their audit fields and any resulting resource changes needed (para. 14 (d)).

A. Measures taken by the Administration

62. The Office of Audit and Performance Review (formerly the Division for Audit and Management Review) anticipated that the implementation of additional regional service centres, further contracting with private sector auditing firms and improvements in the quality and scope of the firms' services would increase the audit coverage of country offices and release Office staff resources to carry out more audits at UNDP headquarters. Using the seven year long-term plan from 1998, a risk model has been used to develop a five-year audit plan. Office training in critical areas has been accomplished, i.e., investigator training seminar (on an inter-agency basis).

B. Comments of the Board

63. The Board welcomes these developments.

XXII. Recommendation

64. The Division for Audit and Management Review should establish standard documentation clearly setting out the audit procedures undertaken and the findings and conclusions, and it should update its permanent files with basic information on the auditees (para. 14 (e)).

A. Measures taken by the Administration

65. This problem was being addressed as part of the quality service initiative of the Office of Audit and Performance Review (formerly the Division for Audit and Management Review). Improvements in the standards of working papers, reports and review were implemented in 1997. The quality service initiative promoted and ensured common understanding and joint ownership of the results whilst adhering to standards for the practice of internal audit.

B. Comments of the Board

66. The Board will review these developments in due course.

XXIII. Recommendation

67. The Division for Audit and Management Review should survey the risks associated with the operation of headquarters computer systems and provide audit coverage as appropriate (para. 14 (f)).

A. Measures taken by the Administration

68. The Office of Audit and Performance Review (formerly the Division for Audit and Management Review) has devoted significant audit services and advisory efforts, commensurate with the risks inherent in computer applications. The recent addition of a staff member with extensive computer auditing skills is noteworthy in this regard.

B. Comments of the Board

69. The Board will review these developments in due course.

XXIV. Recommendation

70. The Division for Audit and Management Review should establish procedures to follow up on actions taken by UNDP and UNOPS in response to internal audit recommendations to demonstrate the improvements made (para. 14 (g)).

A. Measures taken by the Administration

71. The Office of Audit and Performance Review continues to utilize its computer database to record actions and as a basis for follow-up. The Office has completed two follow-up audits on the results of previous management audits of major country offices. Internal audits contracted for 44 country offices in Africa and for 18 country offices in the Arab States include follow-up of prior audit recommendations.

B. Comments of the Board

72. The Board is pleased to note that due attention is being paid to following up implementation of recommendations.

Chapter III
Audit opinion

We have audited the accompanying financial statements, comprising the overview, statements I to IV, schedules 1 to 8, and the supporting notes of the United Nations Development Programme for the financial period ended 31 December 1997. The financial statements are the responsibility of the Executive Director. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Common Auditing Standards of the Panel of External Auditors of the United Nations, specialized agencies and the International Atomic Energy Agency. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, and as considered by the auditor to be necessary in the circumstances, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Executive Director, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the audit opinion.

Except for the effect of any adjustments that may be necessary upon receipt of outstanding audited expenditure statements relating to nationally executed projects, in our opinion, these financial statements present fairly, in all respects, the financial position as at 31 December 1997 and the results of operations and cash flows for the period then ended in accordance with the Programme's stated accounting policies set out in note 2 of the financial statements, which were applied on a basis consistent with that of the preceding financial period.

Further, in our opinion, the transactions of the Programme which we have tested as part of our audit, have in all significant respects been in accordance with the Financial Regulations and Legislative Authority.

In accordance with article XII of the Financial Regulations, we have also issued a long-form report on our audit of the Programme's financial statements.

(*Signed*) Vijay Krishna **Shunglu**
Comptroller and Auditor General of India

(*Signed*) Osei Tutu **Prempeh**
Auditor-General of Ghana

(*Signed*) Sir John **Bourn**
Comptroller and Auditor General
of the United Kingdom of Great Britain
and Northern Ireland

15 July 1998

Chapter IV

Financial statements for the biennium ended 31 December 1997

Overview
Income and expenditure for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Regular Resources Activities		Other Resources Activities		Funds Administered by UNDP	
	1996 -1997	1994 - 1995	1996 -1997	1994 - 1995	1996 -1997	1994 - 1995
INCOME						
Contributions	1 621 447	1 635 502	2 673 911	2 037 652	132 364	126 741
Less: Transfer to biennial support budget	(13 888)	(7 311)	-	-	-	-
Contributions - net	1 608 892	1 628 191	2 673 911	2 037 652	132 364	126 741
Interest income	87 120	95 221	95 173	31 672	19 533	15 081
Other income - net	(30 765)	31 773	60 762	63 657	24 869	14 973
TOTAL INCOME	1 665 247	1 955 185	2 829 846	2 132 981	176 766	156 795
EXPENDITURE						
Programme	1 191 361	1 022 521	2 303 219	1 624 169	124 013	139 184
Programme support (implementing agents)	113 033	100 700	66 293	65 455	4 224	4 066
Programme support to Resident Coordinator	6 810	-	4 190	-	-	-
UNDP sectoral support	11 073	13 259	-	-	-	-
Biennial support budget - net	485 584	489 106	132 382	107 446	34 397	24 016
TOTAL EXPENDITURE	1 807 861	1 625 586	2 496 084	1 797 070	162 634	167 236
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(142 614)	329 599	363 762	335 911	14 132	(11 441)
Write off and provisions/recovery	(14 398)	30	(14 139)	-	-	-
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(157 012)	329 629	349 623	335 911	14 132	(11 441)
Savings on prior biennium's obligations	4 756	5 861	1 073	969	97	49
Transfers (to) from reserves	-	(22 400)	-	-	(8 300)	20 800
Refunds to Donors and Transfers to/from other funds - net	(1 653)	(1 781)	(21 435)	1 535	(38)	(70)
Transfer of resources to UNOPS	-	(797)	-	-	-	-
Fund balances, 1 January	438 884 a/	164 236	868 872 a/	514 303	131 020	111 682
FUND BALANCES, 31 DECEMBER	284 975	474 728 a/	1 197 843	852 718 a/	136 911	131 030
	statement I.1		statement I.2		schedule 7	

[a] Note 11 and statements IV.1 and IV.2

The accompanying notes are an integral part of the financial statements.

Assets, liabilities and reserves and fund balances at 31 December

(Thousands of United States dollars)

	Regular Resources Activities		Other Resources Activities		Funds Administered by UNDP	
	1997	1996	1997	1996	1997	1996
ASSETS						
Cash	-	22 003	2 627	3 952	1 492	626
Government letters of credit	-	-	987	6 776	-	-
Investments held for						
Operational Reserve	200 000	200 000			40 000	40 200
Regular Resources	257 487	406 918	276 149	33 553	133 697	96 766
Cost-sharing	516 076	402 406	-	-	-	-
Government Cash Counterpart Contributions (GCCC)	16 196	10 176	-	-	-	-
Funds and Trust funds	101 410	359 952	-	-	-	-
Reimbursable support services and miscellaneous activities	244 727	172 070	-	-	-	-
Sub total investments	1 415 870	1 561 520	276 149	33 553	181 197	136 966
Total Cash, letters of credit and investments	1 415 870	1 573 531	279 133	44 281	182 689	137 592
Advances						
Operating funds provided to Governments	68 229	52 102	138 594	47 283	1 860	2 481
Operating funds provided to Executing agents	63 671	51 346	36 198	37 562	1 240	1 882
Accounts receivable and deferred charges						
Due from Regular Resources	-	-	1 037 701	944 891	11 082	22 530
Due from Reserve for Field Office Accommodation	17 491	21 407	-	-	-	-
Due from Trust funds established by UNDP	57 569	1 195	-	-	-	-
Due from Funds administered by UNDP	15 342	216	-	-	-	-
Due from United Nations Population Fund	20 196	12 778	-	-	-	-
Other accounts receivable and deferred charges	19 859	17 812	26 687	14 094	4 161	4 086
Accrued interest	13 213	12 671	17 883	8 696	3 884	1 845
Long-term accounts receivable	-	-	1 137	-	-	-
Special Capitalized Asset	1 570	-	-	-	-	-
Loans to Governments	-	-	1 824	2 799	5 657	10 194
Construction costs	-	-	46 880	46 463	-	-
Capitalized Rehabilitation	-	-	4 721	5 177	-	-
Household Appliance Rental Scheme	-	-	309	333	-	-
Allowance for write down	-	-	(11 834)	-	-	-
TOTAL ASSETS	1 673 937	1 743 058	1 607 138	1 151 669	210 433	180 610

	Regular Resources Activities		Other Resources Activities		Funds Administered by UNDP	
	1997	1996	1997	1996	1997	1996
LIABILITIES						
Operating funds payable to Governments	3 013	4 386	6 706	3 469	129	57
Operating funds payable to Executing agents	6 393	4 648	27 386	16 469	3 760	1 342
Unliquidated obligations	68 368	28 910	176 811	192 327	7 966	11 870
Management service agreements	-	-	1 223	742	-	-
Accounts payable	48 706	36 305	46 760	36 486	2 486	1 627
Due to Regular Resources from RFA	-	-	17 491	21 407	-	-
Due to Regular Resources from Trust funds	-	-	57 869	1 195	-	-
Due to Regular Resources from Funds	-	-	-	-	15 362	216
Due to Other Resources and Funds						
Cost-sharing	516 074	402 405	-	-	-	-
Government Cash Counterpart Contributions (GCCC)	16 196	10 175	-	-	-	-
Trust funds established by UNDP	263 316	338 827	-	-	-	-
Funds administered by UNDP	11 052	22 538	-	-	-	-
Reimbursable support services and miscellaneous activities	262 217	193 484	-	-	-	-
Sub total - Due to Other Resources and Funds	1 068 753	967 429	-	-	-	-
Due to LDC from Core activities	-	-				
Due to IAPSO						
Due to United Nations	1 037	679	-	-	-	-
Due to UNOPS	12 970	6 170	-	-	-	-
Due to United Nations Population Fund	-	-	-	-	-	-
Government advances for housing disposal	-	-	910	-	-	-
Agency reimbursement of construction costs	-	-	3 651	3 651	-	-
Reserve for transitional measures	136	8 436	-	-	-	-
Reserve for budgeted separations	-	12 367	-	-	-	-
Deferred rental income	-	-	186	107	-	-
Other liabilities	-	-	-	-	8 391	4 286
TOTAL LIABILITIES	1 186 382	1 068 320	334 298	273 861	38 020	19 398
RESERVES AND FUND BALANCES						
Operational Reserve	200 000	200 000	-	-	40 500	40 200
Reserve for Field Accommodation-authorized level	-	-	25 000	25 000		
Reserve for Field Accommodation-cumulative surplus (deficit)	-	-	-	-	-	-
Special Capital Resources	1 570	-	-	-	-	-
Unexpended Resources	284 975	474 738	1 197 843	852 718	136 911	121 020
Total Unexpended Resources and Special Capital Resources	286 545	474 738	1 197 843	852 718	126 911	121 020
TOTAL RESERVES AND FUND BALANCES	486 545	674 738	1 222 843	877 718	178 411	161 220
TOTAL LIABILITIES AND RESERVES AND FUND BALANCES	1 672 927	1 743 058	1 557 138	1 151 569	216 431	180 618
	statement II.1		statement II.2		schedule 7	

The accompanying notes are an integral part of the financial statements.

Statement of cash flows for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Regular Resources Activities	Other Resources Activities	Funds Administered by UNDP
CASH FLOWS FROM OPERATING ACTIVITIES			
Net excess (shortfall) of income over expenditure	(157 012)	329 633	14 133
Items not involving movement of cash	-	14 181	-
Sub total	(157 012)	343 814	14 133
Add inflows (Less outflows)			
Increase in accounts payable and other liabilities	9 601	11 713	1 932
(Increase) in other accounts receivable	(2 027)	(12 563)	(55)
(Increase) decrease in operating funds provided to Governments - net	2 500	(78 076)	695
(Increase) decrease in operating funds provided to Executing agents - net	(10 580)	22 282	3 060
(Decrease) in Reserve for transitional measures	(8 302)	-	-
(Decrease) in Reserve for budgeted separations	(12 357)	-	-
(Decrease) Increase in unliquidated obligations	39 458	(17 816)	(3 926)
Less Interest income	87 120	95 173	19 533
Net cash from operating activities	(226 039)	176 181	(3 695)
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES			
Add inflows (Less outflows)			
Increase (decrease) in due to other programmes - net	13 800	(40 412)	26 612
Increase in due to United Nations	650	-	-
Increase in due to UNDDS	7 800	-	-
(Increase) in due from UNFPA	(7 416)	-	-
(Increase) in accrued interest	(541)	(9 157)	(2 009)
Decrease in loans to Governments		-	4 557
Proceeds from sale of capitalized assets		1 300	-
Recovery of capitalized assets - net	-	(598)	-
Long term receivable		(1 127)	-
Add Interest income	87 120	95 173	19 533
Net cash from investing and financing activities	101 129	45 179	48 693
CASH FLOWS FROM OTHER SOURCES			
Savings on prior biennium's obligations	4 756	1 073	97
Refunds to Donors and Transfers to/from other funds - net	(17 507)	14 419	(8 334)
Movement in operational Reserve	-	-	8 100
Net cash from other sources	(12 751)	15 492	59
NET INCREASE (DECREASE) IN CASH, LETTERS OF CREDIT AND INVESTMENTS	(137 661)	236 852	45 057
CASH, LETTERS OF CREDIT AND INVESTMENTS AS AT 1 JANUARY	1 574 331	42 281	137 572
CASH, LETTERS OF CREDIT AND INVESTMENTS AS AT 31 DECEMBER	1 413 670	279 133	182 629
	statement II.1	statement II.2	schedule 7

This statement contains the changes in cash flows for the current biennium only because of difficulties in reconstructing prior period figures, as recognized in document ACC/1995/FB/R.31

The accompanying notes are an integral part of the financial statements

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Movements in fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Regular Resources Activities	Other Resources Activities	Funds Administered by UNDP
Balance as at 1 January 1996	474 738	852 718	121 020
Adjustment to opening balance	(35 854)	35 854	-
Adjusted opening balance	438 884	888 572	121 020
Net excess (shortfall) of income over expenditure	(157 012)	329 633	14 132
Savings on prior biennium's obligations	4 756	1 073	97
Transfers (to) from Reserves	-	-	(8 300)
Refunds to Donors and Transfers to/from other funds - net	(1 653)	(21 435)	(38)
Balance as at 31 December 1997	284 975	1 197 843	126 911

The accompanying notes are an integral part of the financial statements.

Statement I

Income and expenditure for the biennium ended 31 December 1997

I.1. Regular resources activities

(Thousands of United States dollars)

		Core Activities		Special Resources for Least Developed Countries (LDCs)		Total Regular Resources Activities	
		1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
INCOME							
Contributions		1 631 634	1 935 693	13	19	1 631 647	1 935 712
Less: Transfer to Biennial support budget	note 5	(13 555)	(7 311)	-	-	(13 555)	(7 311)
Contributions - net		1 618 079	1 928 172	13	19	1 618 092	1 928 191
Interest income		87 130	95 221	-	-	87 130	95 221
Other income - net	schedule 1	(39 745)	31 771	-	-	(39 745)	31 771
TOTAL INCOME		1 665 234	1 955 164	13	19	1 665 247	1 955 183
EXPENDITURE							
Programme		1 190 681	1 017 358	768	5 163	1 191 361	1 022 521
Programme Support Implementing agents		113 033	100 700	-	-	113 033	100 700
Programme Support to Resident Coordinator		6 810		-	-	6 810	-
UNDP sectoral support		11 673	13 259	-	-	11 673	13 259
Biennial support budget - net	schedule 3	485 886	489 106	-	-	485 886	489 106
Repairs and maintenance							
Other							
TOTAL EXPENDITURE		1 807 101	1 620 423	768	5 163	1 807 861	1 625 586
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		(141 867)	334 743	(747)	(5 144)	(142 614)	329 599
Write off and provisions/recovery for assets write down	note 4	(16 398)	30	-	-	(16 398)	30
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		(158 265)	334 773	(747)	(5 144)	(159 012)	329 629
Savings on prior biennium's obligations		4 756	5 851	-	-	4 756	5 851
Transfers (to) from reserves		-	(22 600)	-	-	-	(22 600)
Refunds to Donors and Transfers to/from other funds - net		(1 653)	(1 781)	-	-	(1 653)	(1 781)
Transfer of resources to UNDIS		-	(797)	-	-	-	(797)
Fund balances, 1 January		426 185 a/	166 191	13 699	17 843	438 884	184 034
FUND BALANCES, 31 DECEMBER		273 823	482 629 a/	12 952	12 699	286 775	476 728

[a] Note 11 and statement IV.1.

The accompanying notes are an integral part of the financial statements

I.2. Other resources activities

(Thousands of United States dollars)

	UNDP Cost-sharing		Government Cash Counterpart Contributions (GMOS)		Trust Funds Established by UNDP		Reimbursable Support Services and Miscellaneous Activities		Eliminations - note 3(i)		Total Other Resources	
	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
REVENUE												
Contributions	1 761 881	1 197 306	10 967	10 571	960 380	496 467	373 698	327 236	-	-	3 073 926	2 037 652
Interest income	30 108	10 916	-	-	63 903	13 170	10 100	7 670	-	-	96 173	31 672
Other income - net	-	-	-	-	866	1 670	100 016	90 023	(79 000)	(30 643)	90 782	61 697
TOTAL REVENUE	1 776 863	1 208 306	10 967	10 571	995 206	500 713	483 814	424 929	(79 000)	(30 643)	3 286 850	2 133 021
EXPENDITURE												
Programme	1 527 600	970 041	10 600	13 501	600 287	306 053	307 300	327 600	-	-	3 303 350	1 620 169
Programme support - implementing agency	30 370	66 017	350	603	30 120	13 000	8 870	6 900	-	-	69 300	69 655
Programme support to Resident Coordinator	-	-	-	-	-	-	6 100	-	-	-	6 100	
Biennial support budget	71 100	20 091	-	-	30 770	31 077	110 360	93 310	(79 000)	(30 643)	130 300	107 446
Other	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE	1 629 067	1 053 156	10 950	14 074	665 176	360 300	430 360	426 906	(79 000)	(30 643)	3 406 950	1 797 070
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	146 656	155 149	5 997	6 497	329 790	160 436	60 370	7 963	-	-	360 760	335 911
Write off and provisions/recovery note 11							(10 130)	-		-	(10 130)	
NET INCOME (SHORTFALL) OF INCOME OVER EXPENDITURE	146 656	155 149	5 997	6 497	329 790	160 436	50 240	7 963	-	-	390 890	335 911
Savings on prior biennium's obligations	-		-		100	100	900	944	-	-	1 970	969
Transfer (to) from reserves					-	-					-	
Transfers (to) from reserves	-		-		-	-	-	-	-	-	-	
Refunds to Donors and Transfers to/from other funds - net	(7131)		-		(33 000)	(4300)	3 260	1 963	-	-	(33 630)	1 535
Transfer of resources to UNDP	-		-		-	-	-	-	-	-	-	
Fund balances, 1 January	600 670 a/	222 671	10 967	6 670	336 001	167 930	136 900 a/	117 343	-	-	900 970	310 707
FUND BALANCES, 31 DECEMBER	672 631	377 810 a/	16 100	10 967	663 870	330 031	190 300	127 211 a/	-	-	1 302 901	652 710
					schedule B		schedule C				overview	

a/ Note 11 and statement IV.2.

The accompanying notes are an integral part of the financial statements.

Statement II

Assets, liabilities and reserves and fund balances at 31 December

II.1. Regular resources activities

(Thousands of United States dollars)

		Core Activities		Special Measures for Least Developed Countries (LDCs)		Eliminations - note 3(i)		Total Regular Resources Activities	
		1997	1996	1997	1996	1997	1996	1997	1996
ASSETS									
Cash	note 6	-	22 003	-	-	-	-	-	22 003
Government letters of credit									
Investments held for									
Operational Reserve		200 000	200 000	-	-	-	-	200 000	200 000
Regular Resources		257 457	406 919	-	-	-	-	257 457	406 919
Cost-sharing		516 670	402 405	-	-	-	-	516 670	402 405
Government Cash Counterpart Contributions (GCCC)		16 196	10 175	-	-	-	-	16 196	10 175
Funds and Trust funds		181 618	359 952	-	-	-	-	181 618	359 952
Reimbursable support services and miscellaneous activities		266 727	172 070	-	-	-	-	266 727	172 070
Sub total investments	schedule 6	1 418 870	1 551 520					1 418 870	1 551 520
Total Cash, letters of credit and investments		1 418 870	1 573 523	-	-	-	-	1 418 870	1 573 523
Advances									
Operative funds provided to Governments		48 229	52 102	-	-	-	-	48 229	52 102
Operative funds provided to Executing agents		43 671	51 346	-	-	-	-	43 671	51 346
Accounts receivable and deferred charges									
Due from Core activities		-	-	11 982	12 699	(11 982)	(12 699)	-	-
Due from UNFA		17 491	21 407	-	-	-	-	17 491	21 407
Due from Trust funds established by UNDP		57 580	1 196	-	-	-	-	57 580	1 196
Due from Funds administered by UNDP		19 342	216	-	-	-	-	19 342	216
Due from United Nations Population Fund		20 196	12 770	-	-	-	-	20 196	12 770
Other accounts receivable and deferred charges	note 12	19 859	17 812	-	-	-	-	19 859	17 812
Accrued interest		13 212	12 671	-	-	-	-	13 212	12 671
Long term accounts receivable		-	-	-	-	-	-	-	-
Special Capitalized Asset	note 14	1 870	-	-	-	-	-	1 870	-
TOTAL ASSETS		1 672 887	1 743 058	11 982	12 699	(11 982)	(12 699)	1 672 887	1 743 058

		Core Activities		Special Measures for Least Developed Countries (SMDCs)		Eliminations - note 2(f)		Total Regular Resources Activities	
		1997	1996	1997	1996	1997	1996	1997	1996
LIABILITIES									
Operating funds payable to Governments		3 813	6 306	-	-	-	-	3 813	6 306
Operating funds payable to Executing agents		6 383	4 648	-	-	-	-	6 383	4 648
Unliquidated obligations	note 17	68 388	28 910	-	-	-	-	68 388	28 910
Management service agreements								-	-
Accounts payable	note 12	48 706	36 386	-	-	-	-	48 706	36 386
Due to other resources									
Cost-sharing		516 074	402 408	-	-	-	-	516 074	402 408
Government Cash Counterpart Contributions (GCCC)		16 194	16 176	-	-	-	-	16 194	16 176
Trust funds established by UNDP		343 216	330 827	-	-	-	-	343 216	330 827
Funds administered by UNDP		11 682	22 530	-	-	-	-	11 682	22 530
Reimbursable support services and miscellaneous activities		262 217	193 484	-	-	-	-	262 217	193 484
Sub total Due to Other Resources		1 048 783	967 429	-	-	-	-	1 048 783	967 429
Due to Special Measures Fund For Least Developed Countries		11 983	12 699	-	-	(11 983)	(12 699)	-	-
Due to United Nations		1 087	679	-	-	-	-	1 087	679
Due to UNDCP		13 970	6 170	-	-	-	-	13 970	6 170
Reserve for transitional measures	note 14	134	8 436	-	-	-	-	134	8 436
Reserve for budgeted separations	note 15	-	12 367	-	-	-	-	-	12 367
Deferred rent income		-	-	-	-	-	-	-	-
Other liabilities		-	-	-	-	-	-	-	-
TOTAL LIABILITIES		1 188 336	1 081 219	-	-	(11 983)	(12 699)	1 188 983	1 068 320
RESERVES AND FUND BALANCES									
Operational reserve		200 000	200 000	-	-	-	-	200 000	200 000
Special Capital Resources		1 970						1 970	
Unexpended Resources		273 023	462 039	11 983	12 699	-	-	284 978	474 738
Total Unexpended Resources and Special Capital Resources		276 993	462 039	11 983	12 699	-	-	286 948	474 738
TOTAL RESERVES AND FUND BALANCES		476 993	662 039	11 983	12 699	-	-	486 948	674 738
TOTAL LIABILITIES AND RESERVES AND FUND BALANCES		1 672 827	1 743 258	11 983	12 699	(11 983)	(12 699)	1 672 827	1 743 058

overview

The accompanying notes are an integral part of the financial statements

II.2. Other resources activities

(Thousands of United States dollars)

	Cost-sharing		Government Cash Counterpart Contributions (GCCC)		Trust Funds Established by UNDP		Reimbursable Support Services and Miscellaneous Activities		Total Other Resources Activities	
	1997	1995	1997	1995	1997	1995	1997	1995	1997	1995
ASSETS										
Cash	-	-	-	-	819	9	2 468	3 943	3 427	3 952
Government letters of credit	197	5 776	-	-	-	3 000	-	-	197	6 776
Investments held for										
Regular Resources	-	-	-	-	276 149	33 553	-	-	276 149	33 553
Total Cash, letters of credit and investments	197	5 776	-	-	276 968	36 562	2 468	3 943	279 633	46 281
Advances										
Operating funds provided to Governments	102 686	34 736	-	-	26 108	12 567	-	-	128 894	47 303
Operating funds provided to Executing agents	26 761	34 811	-	870	1 436	1 981	-	-	28 196	37 662
Accounts receivable and deferred charges										
Due from UNDP-Regular Resources	516 876	402 405	16 196	10 176	263 216	130 627	263 217	193 484	1 057 701	944 691
Due from RFA to UNDP- Regular Resources	-	-							-	-
Due from United Nations	-	-	-	-	-	-	-	-	-	-
Due from UNOPS	-	-	-	-	-	-	-	-	-	-
Due from United Nations Population Fund	-	-	-	-	-	-	-	-	-	-
Agency reimbursement of construction costs	-	-	-	-	-	-	-	-	-	-
Other accounts receivable and deferred charges	18 535	11 979	-	-	7 881	1 306	1 861	810	28 687	14 094
Accrued interest	13 694	8 646	-	-	3 159	250	-	-	17 853	8 896
Long term accounts receivable note 1:	-	-	-	-	-	-	1 127	-	1 127	-
Special Capitalized Asset	-	-	-	-	-	-	-	-	-	-
Loans to Governments	-	-	-	-	-	-	1 024	3 799	1 024	3 799
Construction costs	-	-	-	-	-	-	44 550	44 453	44 550	44 453
Capitalized Rehabilitation	-	-	-	-	-	-	4 721	5 177	4 721	5 177
Household Appliance Rental Scheme	-	-	-	-	-	-	309	333	309	333
Allowance for write down	-	-	-	-	-	-	(11 834)	-	(11 834)	-
TOTAL ASSETS	674 827	496 152	16 196	11 046	580 376	321 373	306 671	252 999	1 577 130	1 151 568

	Cost-sharing		Government Cash Counterpart Contributions (GCCC)		Trust Funds Established by UNDP		Reimbursable Support Services and Miscellaneous Activities		Total Other Resources Activities	
	1997	1995	1997	1995	1997	1995	1997	1995	1997	1995
LIABILITIES										
Operating funds payable to Governments	6 600	2 924		-	300	565	-	-	6 786	3 489
Operating funds payable to Executing agents	2 686	3 151		78	26 000	13 260	-	-	37 386	16 489
Unliquidated obligations	59 385	90 666		-	32 180	39 533	82 776	62 128	174 511	192 327
Management service agreements schedule 5.6	-				1 223	742	-		1 223	742
Accounts payable	33 805	21 592		-	910	97	10 426	12 795	46 748	34 484
Due to UNDP: Regular Resources from RFA	-				-	-	17 491	21 607	17 491	21 607
Due to UNDP: Regular Resources from Trust funds	-				57 869	1 195	-		57 869	1 195
Government advances for housing disposal	-				-	-	910	-	910	-
Agency reimbursement of construction costs	-				-	-	3 651	3 651	3 651	3 651
Deferred rental income	-				-	-	196	107	196	107
TOTAL LIABILITIES	102 976	118 434		78	116 883	55 152	115 614	100 088	334 385	273 751
RESERVES AND FUND BALANCES										
Reserve for Field Accommodation: authorized level	-				-	-	25 000	25 000	25 000	25 000
Reserve for Field Accommodation: cumulative surplus (deficit)	-				-	-	-	-	-	-
Unexpended Resources	572 021	377 419	16 196	10 967	643 573	336 021	166 255	127 911	1 197 863	852 719
TOTAL RESERVES AND FUND BALANCES	572 021	377 419	16 196	10 967	643 573	336 021	191 255	152 911	1 222 863	877 719
TOTAL LIABILITIES AND RESERVES AND FUND BALANCES	674 997	495 854	16 196	11 045	760 456	391 173	306 871	253 000	1 557 248	1 151 470
					schedule 3		schedule 4		grantlow	

The accompanying notes are an integral part of the financial statements.

Statement III

Statement of cash flows for the biennium ended 31 December 1997

III.1. Regular resources activities

(Thousands of United States dollars)

	Core Activities	Special Measures for Least Developed Countries (LDCs)	Total Regular Resources Activities
CASH FLOWS FROM OPERATING ACTIVITIES			
Net shortfall of income over expenditure	(156 265)	(747)	(157 012)
Add Inflows (Less outflows)			
Increase in accounts payable	9 401	-	9 401
(Increase) in other accounts receivable	(2 027)	-	(2 027)
(Increase) in operating funds provided to Governments - net	2 500	-	2 500
(Increase) in operating funds provided to Executing agents - net	(10 580)	-	(10 580)
(Decrease) in Reserve for transitional measures	(8 302)	-	(8 302)
(Decrease) in Reserve for budgeted separations	(12 357)	-	(12 357)
(Decrease) in unliquidated obligations	39 458	-	39 458
Less Interest income	87 128		87 128
Net cash from operating activities	(225 292)	(747)	(226 039)
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES			
Add Inflows (Less outflows)			
(Increase) in Due from UNFPA	(7 416)	-	(7 416)
Increase in Due to other programmes - net	13 053	747	13 800
(Increase) in accrued interest	(541)	-	(541)
Increase in Due to United Nations	358	-	358
Increase in Due to UNOPS	7 808	-	7 808
Add Interest income	87 128	-	87 128
Net cash from investing and financing activities	100 392	747	101 139
CASH FLOWS FROM OTHER SOURCES			
Savings on prior biennium's obligations	4 756	-	4 756
Refunds to Donors and Transfers to/from other funds - net	(37 587)	-	(37 587)
Net cash from other sources	(32 751)	-	(32 751)
NET INCREASE (DECREASE) IN CASH, LETTERS OF CREDIT AND INVESTMENTS	(157 651)	-	(157 651)
CASH, LETTERS OF CREDIT AND INVESTMENTS AS AT 1 JANUARY 1996	1 573 521	-	1 573 521
CASH, LETTERS OF CREDIT AND INVESTMENTS AS AT 31 DECEMBER 1997	1 415 870		1 415 870

This statement contains the changes in cash flows for the current biennium only because of difficulties in reconstructing prior period figures, as recognized in document ACC/1995/FB/R.31

The accompanying notes are an integral part of the financial statements

III.2. Other resources activities

(Thousands of United States dollars)

	Cost-sharing	Government Cash Counterpart Contributions (GCCC)	Trust Funds Established by UNDP	Reimbursable Support Services and Miscellaneous Activities	Total Other Resources Activities
CASH FLOWS FROM OPERATING ACTIVITIES					
Net excess of income over expenditure	166 456	5 227	139 709	20 241	139 633
Items not involving movement of cash	-	-	-	14 181	14 181
Sub total	166 456	5 227	139 709	42 422	343 814
Add inflows (Less outflows)					
Increase (decrease) in accounts payable and other liabilities	12 213	-	903	(1 404)	11 712
(Increase) in other accounts receivable	(6 547)	-	(5 786)	(230)	(12 563)
(Increase) in operating funds provided to Governments - net	(44 276)	-	(13 803)	-	(78 076)
Decrease in operating funds provided to Executing agents - net	9 345	792	13 105	-	22 292
Increase (decrease) in unliquidated obligations	(31 241)	-	(7 183)	20 648	(17 816)
Less Interest income	33 102	-	43 902	18 169	95 173
Net-cash from operating activities	52 850	6 019	72 045	43 267	174 181
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES					
Add inflows (Less outflows)					
(Decrease) increase in due from Regular Resources - net	(113 669)	(6 019)	151 925	(72 649)	(40 412)
(Increase) in accrued interest	(4 249)	-	(4 909)	-	(9 167)
Proceeds from sale of capitalized assets	-	-	-	1 300	1 300
Recovery of capitalized assets - net	-	-	-	(598)	(598)
Long term receivable	-	-	-	(1 127)	(1 127)
Add Interest income	33 102	-	43 902	18 169	95 173
Net cash from investing and financing activities	(84 815)	(6 019)	190 918	(54 905)	45 179
CASH FLOWS FROM OTHER SOURCES					
Savings on prior biennium's obligations	-	-	108	965	1 073
Refunds to Donors and Transfers to/from other funds - net	28 546	-	(23 265)	9 138	14 419
Net cash from other sources	28 546	-	(23 157)	10 103	15 492
NET INCREASE (DECREASE) IN CASH, LETTERS OF CREDIT AND INVESTMENTS	(3 419)	-	239 806	(1 535)	234 852
CASH, LETTERS OF CREDIT AND INVESTMENTS AS AT 1 JANUARY	3 776	-	36 562	3 943	44 281
CASH, LETTERS OF CREDIT AND INVESTMENTS AS AT 31 DECEMBER	357	-	276 368	2 408	279 133

This statement contains the changes in cash flows for the current biennium only because of difficulties in reconstructing prior period figures, as recognized in document ACC/1995/FB/R.31.

The accompanying notes are an integral part of the financial statements

Statement IV

Movements in fund balances for the biennium ended 31 December 1997

IV.1. Regular resources activities

(Thousands of United States dollars)

	Core Activities	Special Measures Fund for Least Developed Countries (LDCs)	Total Regular Resources Activities
Balance as at 1 January 1996	462 039	12 699	474 738
Adjustment to opening balance a/	(35 854)	-	(35 854)
Adjusted opening balance	426 185	12 699	438 884
Net shortfall of income over expenditure	(156 265)	(747)	(157 012)
Savings on prior biennium's obligations	4 756	-	4 756
Refunds to Donors and Transfers to/from other funds - net	(1 653)	-	(1 653)
Balance as at 31 December 1997	273 023	11 952	284 975

overview

[a] Note 11.

The accompanying notes are an integral part of the financial statements.

IV.2. Other resources activities

(Thousands of United States dollars)

	Cost-sharing	Government Cash Counterpart Contributions (GCCC)	Trust Funds Established by WHO	Reimbursable Support Services and Miscellaneous Activities	Total Other Resources Activities
Balance as at 1 January 1996	377 819	10 967	336 021	127 911	852 718
Adjustments to opening balance a/	28 859	-	-	6 995	35 854
Adjusted opening balance	406 678	10 967	336 021	134 906	888 572
Net excess of income over expenditure	166 456	5 227	129 709	28 241	329 633
Savings on prior biennium's obligations	-	-	108	965	1 073
Refunds to Donors and Transfers to/from other funds - net	(313)	-	(23 265)	2 143	(21 435)
Balance as at 31 December 1997	572 821	16 194	442 573	166 255	1 197 843

[illegible]

a/ Note 11.

The accompanying notes are an integral part of the financial statements.

Schedules to the accounts

Schedule 1

Regular resources: Other income – net for the biennium ended 31 December 1997

(Thousands of United States dollars)

		1996-1997	1994-1995
Miscellaneous income from accounts of Executing agents- net		(443)	1 085
Net adjustments on revaluation of currencies and gain (loss) on exchange	note 2(f)	(28 812)	29 645
Miscellaneous write-offs		(32)	(178)
Expert hiatus financing, extended sick leave costs and compensation payments		(219)	(496)
Additional programme support costs (reimbursement) recovery		(105)	(53)
Donations		37	-
Other		(1 191)	1 770
Total		(30 765)	31 773

statement I.1

The accompanying notes are an integral part of the financial statements.

Schedule 2

Programme expenditure by executing agencies and by source of funds

(Thousands of United States dollars)

	Twelve months ended 31 December 1997										
	Expenditure charged to Regular Resources Activities										
	Target for Resource Assignment from Core (TRAC)										
Agency	Country and Regional - Line 1.1.1/1.1.2	Countries in Special Situations (Line 1.1.3)	Regional (Line 1.2)	Global, Interregional and Special Activities	Evaluation Line 1.4	TCDC Line 1.5	Other Line 2.4	IPF Add-on funds	ACC saving funds	Special Programme Resources	Special Industrial Services
United Nations	39 033	-	704	363	-	-	-	-	-	1 335	-
UNIDO	11 139	-	-	-	-	-	-	-	-	37	(95)
FAO	26 601	-	1 013	76	-	-	-	-	-	266	-
UNESCO	8 094	-	-	-	-	-	-	-	-	-	-
ILO	30 493	-	-	6	-	-	-	-	-	377	-
ECA	(380)	-	821	-	-	-	-	-	-	-	-
ECE	-	-	(17)	-	-	-	-	-	-	-	-
ECLAC	-	-	198	-	-	-	-	-	-	-	-
ESCAP	-	-	1 688	-	-	-	-	-	-	-	-
ESCWA	63	-	162	8	-	-	-	-	-	13	-
UNCTAD	3 118	-	306	229	-	-	-	-	-	(108)	-
UNCHS	16 306	-	(300)	3 883	-	-	-	-	-	227	-
ICAO	39 772	-	771	2	-	-	-	-	70	(73)	-
WHO	9 675	-	49	2 375	-	-	-	-	-	166	-
IBRD	1 903	-	3 966	1 709	-	-	-	8	13	813	-
IFC	-	-	623	-	-	-	-	-	-	-	-
UPU	301	-	35	-	-	-	-	-	-	-	-
ITU	2 566	-	6	-	-	-	-	-	-	17	-
WMO	947	-	169	-	-	-	-	-	-	-	-
IMO	19	-	(3)	-	-	-	-	-	-	-	-
WIPO	85	-	363	-	-	-	-	-	-	-	-
IAEA	1 330	-	(56)	-	-	-	-	-	-	-	-
ITC	(46)	-	2 927	-	-	-	-	-	-	-	-
WTO	973	-	-	-	-	-	-	-	-	140	-
AFESD	-	-	596	-	-	-	-	-	-	-	-
AfDB	95	-	-	-	-	-	-	-	-	-	-
AsDB	3	-	103	(103)	-	-	-	302	-	-	-
IMF	3 376	-	574	265	-	-	-	92	-	22	-
UNV	8 701	37	391	-	-	-	-	-	-	321	-
UNITAR					-	-	-	-	-		-
EBRD					-	-	-	-	-		-
DEVNET	-	-	613	-	-	-	-	-	-		-
ICM	-	-	-	-	-	-	-	-	-	114	-
MEX	1 065 186	5 124	7 665	46	-	-	-	2 635	5 595	9 721	-
UNOPS	101 763	17 305	32 716	15 804	173	3 775	-	150	375	15 561	-
UNDP	6 266	5 411	-	133	-	-	-	-	-	1 868	-
NGOs	3	-	-	-	-	-	-	-	-	-	-
Total inclusive of Cost-sharing	1 352 858	27 867	56 163	23 774	173	3 775	-	3 087	6 053	30 685	(95)
Charged to Other source of funds	526 063	27 706	47 611	21 808	173	3 742	(4 516)	3 036	4 901	23 865	(95)
Cost-sharing	826 795	161	8 752	1 966	-	33	4 516	51	1 152	6 820	-
Total inclusive of Cost-sharing	1 352 858	27 867	56 163	23 774	173	3 775	-	3 087	6 053	30 685	(95)

The accompanying notes are an integral part of the financial statements.

Twelve months ended 31 December 1997

Special Measures Fund for the Least Developed	Sub-total	Government Cash Counterpart Contributions	1997	Amounts charged to Cost-sharing	Amounts charged to other sources of funds	Total 1996 OOOC	Total 1996 Other sources of funds	Total Biennium 1996-1997 OOOC	Total Biennium 1996-1997 Other sources of funds	
6	38 438	1 601	32 039	12 337	19 692	1 321	24 056	2 923	54 494	
-	11 981	173	11 354	2 307	8 947	57	15 620	230	26 701	
-	38 856	13	38 568	2 198	26 370	219	29 825	231	58 301	
-	8 094	-	8 094	1 089	7 005	-	6 230	-	14 324	
9	30 803	-	30 803	4 966	15 937	-	14 948	-	35 831	
-	441	-	441	-	441	-	774	-	1 215	
-	(17)	-	(17)	-	(17)	-	898	-	881	
-	198	-	198	-	198	-	267	-	465	
-	1 668	-	1 668	914	754	-	2 476	-	4 144	
-	206	-	206	44	162	-	95	-	301	
(3)	3 833	-	3 833	1 166	2 358	-	3 960	-	7 682	
-	17 814	(233)	16 781	7 079	9 702	-	15 108	(233)	32 122	
-	40 948	35	40 877	38 250	2 327	1 336	36 413	1 369	74 955	
-	13 043	-	13 043	1 638	10 405	-	11 341	-	23 384	
-	8 611	-	8 611	2 039	5 572	-	11 596	-	20 007	
-	623	-	623	1 669	(1 046)	-	978	-	1 601	
-	336	-	336	12	324	-	391	-	727	
-	3 869	20	3 617	1 042	1 575	18	3 160	46	5 757	
-	1 098	-	1 098	356	741	-	1 240	-	2 335	
-	16	-	16	59	(43)	-	43	-	59	
-	428	-	428	99	329	-	626	-	1 054	
-	1 274	-	1 274	301	973	-	1 013	-	2 287	
-	3 781	-	3 781	1 405	1 376	-	2 791	-	5 572	
-	1 113	-	1 113	526	587	-	1 512	-	2 625	
-	596	-	596	101	495	-	604	-	1 200	
-	98	-	98	-	98	-	66	-	161	
-	204	-	204	-	204	-	(21)	-	183	
-	3 307	-	3 307	586	2 721	-	4 056	-	7 363	
-	9 240	-	9 240	1 124	8 116	-	10 075	-	19 315	
-	-	-	-	-	-	-	8	-	8	
-	-	-	-	-	-	-	-	-	-	
-	613	-	613	461	152	-	323	-	936	
-	114	-	114	-	114	-	-	-	114	
29	1 099 781	3 431	1 099 212	733 025	366 187	2 982	840 224	6 613	1 936 005	
1	187 633	584	188 387	25 939	162 268	1 062	162 883	1 646	350 506	
-	13 678	-	13 678	5 640	8 038	-	275	-	13 953	
-	3	-	3	3 098	(3 095)	-	-	-	3	
39	1 884 879	5 631	1 818 218	850 246	659 944	6 993	1 203 862	12 624	2 708 441	
39	694 333	5 631	659 964	-	-	-	544 021	-	1 191 361	statement I.1
-	850 246	-	850 246	-	-	-	666 834	-	1 517 080	statement I.2
39	1 884 879	5 631	1 818 218	-	-	-	1 210 855	-	2 708 441	

schedule 2.2

Schedule 2.1

Agency support costs and technical support services by implementing agencies and source of funds for the biennium 1996–1997

(Thousands of United States dollars)

	Twelve months ended 31 December 1997								
Agents	Countries in Special Situations (TRAC 1.1.3)	Global, Interregional and Special Activities Line 1.3	Evaluation Line 1.4	TCDC Line 1.5	Support for Technical Services - (STS) (Line 2.3)	Support for Policy and Programme Development - (SPPD) (Line 2.2)	Resource for implementation (Line 1.6)	TRAC (Lines 1.1.1 & 1.1.2)	Non-TRAC (Line 1.2)
United Nations	-	-	-	-	2 032	3 127	-	2 017	67
UNIDO	-	-	-	-	949	1 978	(69)	1 124	-
FAO	-	-	-	-	1 871	2 432	-	2 640	181
UNESCO	-	-	-	-	850	890	-	809	-
ILO	-	-	-	-	1 248	2 283	-	2 049	-
ECA	-	-	-	-	-	40	-	(38)	77
ECLAC	-	-	-	-	8	13	-	-	20
ESCAP	-	-	-	-	-	-	-	-	167
ESCWA	-	-	-	-	-	-	-	4	14
ECE	-	-	-	-	-	-	-		(1)
UNCTAD	-	21	-	-	51	174	-	311	29
UNCHS	-	-	-	-	-	-	-	2 931	50
ICAO	-	-	-	-	35	44	7	3 275	77
WHO	-	99	-	-	30	39	-	947	5
IBRD	-	18	-	-	-	-	4	190	117
IFC	-	-	-	-	-	-	31		62
UPU	-	-	-	-	8	5	-	57	7
ITU	-	-	-	-	-	33	-	538	1
WMO	-	-	-	-	8	-	104	188	38
IMO	-	-	-	-	-	-	-	3	-
WIPO	-	-	-	-	-	-	-	33	65
IAEA	-	-	-	-	-	57	-	254	(10)
ITC	-	-	-	-	27	-	-	325	376
WTO	-	-	-	-	-	126	-	185	-
AfDB	-	-	-	-	-	-	-	8	-
AsDB	-	-	-	-	-	-	-	53	-
IMF	-	-	-	-	-	-	-	237	57
AFESD	-	-	-	-	-	-	-	-	60
UNITAR	-	-	-	-	-	-	-	-	-
EBRD	-	-	-	-	-	-	-	-	-
IOM	-	-	-	-	-	-	-	-	-
UNOPS	1 727	-	17	378	-	-	-	13 570	-
UNDP	-	-	-	-	-	-	-		-
NGOs	-	-	-	-	-	-	-	-	-
	1 727	138	17	378	7 117	11 241	87	31 711	1 459
Portion charged to Cost-sharing	15	197	-	-	461	-	10	9 437	777
Net	1 712	(59)	17	378	6 656	11 241	77	22 274	682

[a] Statement I.2.

The accompanying notes are an integral part of the financial statements.

Global and Interregional IPF	IPF Add-On	Other resources (SPR-LDC-SIS etc)	Total Regular Resources	Government Cash Counterpart Contributions (GCCC)	Total 1997	Total 1996		Total Biennium 1996-1997	
						Regular Resources and Cost-sharing	GCCC	Regular Resources and Cost-sharing	GCCC
36	-	1 020	8 299	56	8 355	10 445	47	18 744	103
-	-	1 192	5 184	6	5 190	5 591	2	10 775	8
8	-	1 157	8 289	1	8 290	7 908	8	16 197	9
-	-	219	3 767	-	3 767	3 146	-	6 913	-
1	-	597	6 178	-	6 178	5 470	-	11 648	-
-	-	-	79	-	79	89	-	168	-
-	-	15	86	-	86	162	-	248	-
-	-	-	167	-	167	322	-	489	-
1	-	2	31	-	31	9	-	38	-
-	-	-	(1)	-	(1)	118	-	117	-
2	-	86	674	-	674	769	-	1 443	-
245	-	418	3 644	(10)	3 634	1 627	-	5 271	(10)
-	-	180	3 588	1	3 589	3 691	47	7 279	48
5	-	46	1 171	-	1 171	1 566	-	2 737	-
156	1	173	659	-	659	3 243	-	3 902	-
-	-	1	94	-	94	121	-	215	-
-	-	6	83	-	83	110	-	193	-
-	-	834	1 406	1	1 407	2 106	-	3 512	1
-	-	141	449	-	449	335	-	784	-
-	-	12	15	-	15	9	-	24	-
-	-	19	117	-	117	156	-	273	-
-	-	-	301	-	301	227	-	528	-
-	-	2	731	-	731	1 096	-	1 827	-
-	-	47	358	-	358	429	-	787	-
-	-	-	8	-	8	7	-	15	-
-	20	-	73	-	73	49	-	122	-
24	9	136	463	-	463	902	-	1 365	-
-	-	-	60	-	60	79	-	139	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	11	11	-	11	-	-	11	-
1 108	-	3 559	20 356	20	20 376	10 141	37	30 497	57
-	53	29	82	-	82	-	-	82	-
-	-	-	-	-	-	-	-	-	-
1 583	83	9 841	65 382	75	65 457	67 923	141	133 305	216 a/
432	5	135	11 659	-	11 659	8 603	-	20 272 a/	-
1 151	78	9 706	53 723	75	53 798	59 320	141	113 033	216

schedule 2.3

statement I.1

Schedule 2.2

Programme expenditure by executing agencies and by source of funds for the 12 months ended 31 December 1996

(Thousands of United States dollars)

Agency	Indicative Planning figures: Country	Regional	Inter-Regional	Global	Total	Indicative Planning Figure add-on funds	Indicative Planning Figure sub-line	Special Programme Resources	Special Industrial Services	Special Measures Fund for the Least Developed Countries	Government Cash Counterpart Contributions (GCCC)	1996
United Nations	21 357	910	145	-	22 412	-	-	1 568	-	76	1 321	25 377
UNIDO	10 996	1 065	-	-	12 061	-	-	294	3 285	-	57	15 677
FAO	26 976	2 614	127	(3)	29 714	-	-	111	-	-	219	30 044
UNESCO	6 134	(25)	108	-	6 217	-	-	13	-	-	-	6 230
ILO	14 206	425	22	-	14 653	-	-	278	-	17	-	14 948
ECA	380	394	-	-	774	-	-	-	-	-	-	774
ECE	-	898	-	-	898	-	-	-	-	-	-	898
ECLAC	-	267	-	-	267	-	-	-	-	-	-	267
ESCAP	-	2 476	-	-	2 476	-	-	-	-	-	-	2 476
ESCWA	-	75	-	-	75	-	-	20	-	-	-	95
UNCTAD	2 921	631	15	-	3 567	-	-	395	-	(2)	-	3 960
UNCHS	14 582	333	-	-	14 915	-	-	193	-	-	-	15 108
ICAO	35 248	873	18	-	36 139	-	274	-	-	-	1 334	37 747
WHO	6 015	53	513	4 316	10 897	-	-	444	-	-	-	11 341
IBRD	2 906	1 476	3 111	2 828	10 321	-	110	1 165	-	-	-	11 596
IFC	12	966	-	-	978	-	-	-	-	-	-	978
UPU	328	63	-	-	391	-	-	-	-	-	-	391
ITU	2 881	198	-	-	3 079	-	-	89	-	-	18	3 186
WMO	994	266	-	-	1 260	-	-	-	-	-	-	1 260
IMO	(17)	60	-	-	43	-	-	-	-	-	-	43
WIPO	454	172	-	-	626	-	-	-	-	-	-	626
IAEA	118	895	-	-	1 013	-	-	-	-	-	-	1 013
ITC	1 849	942	-	-	2 791	-	-	-	-	-	-	2 791
WTO	1 489	-	-	-	1 489	-	-	23	-	-	-	1 512
AFESD	-	604	-	-	604	-	-	-	-	-	-	604
AfDB	66	-	-	-	66	-	-	-	-	-	-	66
AsDB	(21)	-	-	-	(21)	-	-	-	-	-	-	(21)
IMF	3 107	729	221	-	4 056	-	-	-	-	-	-	4 056
UNV	9 358	238	-	-	9 596	-	-	479	-	-	-	10 075
UNITAR	8	-	-	-	8	-	-	-	-	-	-	8
EBRD	-	-	-	-	-	-	-	-	-	-	-	-
DEVNET	-	323	-	-	323	-	-	-	-	-	-	323
NEX	812 850	7 323	-	-	820 173	3 481	3 370	12 903	-	297	2 982	843 206
UNOPS	91 352	23 877	2 867	6 419	124 515	516	1 283	36 236	-	333	1 063	163 948
UNDP	(76)	169	-	-	93	-	-	182	-	-	-	275
Total (inclusive of Cost-sharing)	1 066 473	49 249	7 147	14 560	1 136 429	3 997	5 037	54 393	3 285	721	6 993	1 210 855
Charged to: Source of fund as per column heading	426 810	37 257	(348)	12 154	475 833	6 735	4 926	47 530	3 285	721	6 993	546 031
Cost-sharing	649 663	11 992	7 515	1 406	660 596	(738)	113	6 863	-	-	-	666 824
Total (inclusive of Cost-sharing)	1 066 473	49 249	7 147	14 560	1 136 429	3 997	5 037	54 393	3 285	721	6 993	1 210 855

Schedule 3

The accompanying notes are an integral part of the financial statements.

Schedule 2.3

Agency support costs and technical support services by implementing agencies and by source of funds for the 12 months ended 31 December 1996

(Thousands of United States dollars)

			Administrative and Operational Support Services					Old Regime			
Agents	Technical Support Services I	Technical Support Services II	IPF Sub-line	Special Programme Resources	Special Measures Fund for the Least Developed Countries (LDCs)	Special Industrial Services	Central Resource Charges	Execution	Government Cash Conterpart Contributions (GCCC)	Cooperating Agents	1996
United Nations	5 227	2 659	1 957	149	-	-	-	353	47	100	10 492
UNIDO	1 900	1 358	1 331	23	-	339	-	494	2	146	5 593
FAO	1 349	2 136	3 390	-	-	-	-	950	8	83	7 916
UNESCO	1 513	743	813	-	-	-	-	77	-	-	3 146
ILO	1 900	1 392	1 719	38	1	-	-	377	-	43	5 470
ECA	-	-	-	-	-	-	12	77	-	-	89
ECLAC	-	-	116	-	-	-	11	35	-	-	162
ESCAP	-	-	248	-	-	-	74	-	-	-	322
ESCWA	-	-	6	2	-	-	-	1	-	-	9
ECE	-	-	91	-	-	-	27	-	-	-	118
UNCTAD	-	-	581	40	-	-	149	(16)	-	15	769
UNCHS	-	-	1 332	-	-	-	399	(104)	-	-	1 627
ICAO	-	-	2 326	-	-	-	247	1 062	47	56	3 738
WHO	-	-	996	44	-	-	292	234	-	-	1 566
IBRD	-	-	1 285	-	-	-	-	1 958	-	-	3 243
IFC	-	-	22	-	-	-	-	99	-	-	121
UPU	-	-	64	-	-	-	12	34	-	-	110
ITU	-	-	1 461	9	-	-	177	222	-	237	2 106
WMO	-	-	131	-	-	-	39	138	-	27	335
IMO	-	-	6	-	-	-	-	3	-	-	9
WIPO	-	-	65	-	-	-	20	63	-	8	156
IAEA	-	-	103	-	-	-	31	93	-	-	227
ITC	-	-	633	-	-	-	-	377	-	86	1 096
WTO	-	-	190	2	-	-	59	178	-	-	429
AfDB	-	-	5	-	-	-	2	-	-	-	7
AsDB	-	-	15	-	-	-	5	29	-	-	49
IMF	-	-	642	-	-	-	191	31	-	36	902
AFESD	-	-	-	-	-	-	-	79	-	-	79
UNITAR	-	-	-	-	-	-	-	-	-	-	-
EBRD	-	-	-	-	-	-	-	-	-	-	-
UNOPS	-	-	11 974	3 160	-	-	-	2 842	37	165	18 178
UNDP	-	-	-	-	-	-	-	-	-	-	-
UNEP	-	-	-	-	-	-	-	-	-	-	-
Total (inclusive of Cost-sharing)	11 889	8 288	31 502	3 467	1	339	1 747	9 686	141	1 004	68 064
Charged to: Source of funds as per column heading	11 889	8 148	26 280	3 371	1	339	1 402	6 970	141	920	59 461 a/
Cost-sharing	-	140	5 222	96	-	-	345	2 716	-	84	8 603 schedule 2.1
Total (inclusive of Cost-sharing)	11 889	8 288	31 502	3 467	1	339	1 747	9 686	141	1 004	68 064

[a] Shown on schedule 2.1 as regular resources for $59,320,000 and GCCC for $141,000,000.

The accompanying notes are an integral part of the financial statements.

Schedule 3

Biennial support budget: programme support activities, management and administration costs and support to operational activities of the United Nations system for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Revised Appropriations 1996-1997	1996-1997 Expenditure			Total Expenditure 1994-1995	Unencumbered balance as at 31 December 1997
		Disbursement	Unliquidated obligations	Total		
PROGRAMME SUPPORT ACTIVITIES						
Country offices	266 130	225 562	10 322	235 884	226 689	10 254
Headquarters	70 501	62 721	2 974	65 695	69 095	4 806
Total	336 639	288 283	13 296	301 579	295 784	15 060
MANAGEMENT AND ADMINISTRATION	110 031	106 218	5 809	112 027	111 643	(1 996)
SUPPORT TO OPERATIONAL ACTIVITIES OF THE UN SYSTEM						
Country offices	88 366	77 606	2 793	80 399	78 767	7 967
Development Group Office	2 157	1 522	19	1 541	705	616
Inter-Agency Procurement Services Office	4 447	3 742	135	3 877	5 138	570
United Nations Volunteers programme	34 426	28 909	1 420	30 329	33 612	4 497
Total	129 396	111 779	4 367	116 146	118 222	13 650
Total Biennial support budget- gross	576 066	506 280	23 472	529 752 a/	525 649 a/	26 714
Less Income notes 5 and 6	(38 000)	(66 168)	-	(66 168)	(36 343)	6 168
Total Biennial support budget- net	538 066	462 112	23 472	485 584	489 306	32 882

Statement X.1

a/ Shown on schedule 4 by major categories of expenditure.

The accompanying notes are an integral part of the financial statements.

Schedule 4

Regular resources: biennial support budget (gross) and expenditure against biennial support budget (gross by major category of expenditure) for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Revised Appropriations 1996-1997	1996-1997 Expenditure			Expenditure 1994-1995
		Disbursements	Unliquidated obligations	Total	
Posts	378 657	352 718	9 037	361 755	365 813
Other staff costs	7 544	8 414	252	8 666	6 788
Consultants	5 816	8 470	628	9 098	5 873
Travel	14 877	13 665	767	14 432	12 756
Operating expenses	105 262	82 862	6 406	89 268	82 665
Furniture and equipment	20 772	15 084	4 087	19 171	17 984
Reimbursements/Contributions	16 315	20 137	2 062	22 199	27 284
Development support services	7 223	4 926	237	5 163	6 286
Total	556 466	506 276	23 476	529 752	525 449
				schedule 3	

The accompanying notes are an integral part of the financial statements.

Schedule 5

Trust funds established by the United Nations Development Programme: schedule of income, expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

			Income				Expenditure							
			Regular Resources and Cost-sharing				Regular Resources and Cost-sharing							
Name of Trust Fund	Year	Fund balances as at 1 January a/	Contribution	Other	Sub-trust funds	Total	Project cost	Other costs	Sub-trust funds	Total	Refunds to donors and transfers to / from other funds - net b/	Fund balances as at 31 December a/	Unspent project budget allocations c/	Unspent project budget allocations in excess of Fund balances c/	Contributions receivable c/
FUND MANAGED - UNDP															
Trust Fund to Combat Desertification and Drought (UNSO)	1996-97	26 369	8 736	1 596	5 303	15 635	9 056	6 279	1 695	17 030	77	23 956	16 380	-	9 380
	1994-95	35 245	9 131	3 056	2 463	13 648	14 810	7 299	3 193	24 302	(202)	24 389	14 919	-	9 141
Trust Fund for the Global Environmental Facility (GEF)	1996-97	45 210	111 567	6 058	608	118 211	106 726	16 023	1 676	123 626	(688)	39 319	186 984	(117 338)	230
	1994-95	16 299	122 620	3 082	5 363	131 065	90 642	12 908	660	104 182	36	45 218	130 823	(93 605) note 22	195
Multilateral Fund for the Implementation of the Montreal Protocol	1996-97	73 169	46 658	13 933	612	61 103	60 861	7 261	331	68 413	31	66 860	88 304	-	-
	1994-95	18 502	89 407	1 919	205	91 131	33 966	3 920	-	37 664	-	72 169	66 218	-	-
"Capacity 21" Trust Fund	1996-97	40 237	17 689	7 201	1 270	26 160	16 186	2 366	771	17 157	(138)	49 102	18 329	-	393
	1994-95	19 286	26 258	1 507	1 996	29 761	7 129	1 632	76	8 837	37	40 237	13 746	-	1 959
UNDP Energy Account	1996-97	4 763	3 196	560	-	3 756	3 756	767	5	4 528	103	3 090	2 217	-	2 516
	1994-95	4 056	3 436	237	32	3 705	2 393	597	26	3 016	-	4 763	4 874	-	1 316
Government of France Trust Fund for the UNDP/World Bank Energy Sector Management Assessment Programme	1996-97	1 100	-	119	-	119	668	68	-	697	-	722	262	-	
	1994-95	1 321		99		99	288	32	-	320	-	1 100	748		
UNDP Trust Fund for the Protection of the Ozone Layer	1996-97	66	-	5	-	5	9	1	-	10	-	61	8	-	-
	1994-95	50		6		6	6	2	-	8	-	66	18		
World Maritime University Trust Fund	1996-97	110	36	10	-	46	100	1	-	101	-	53	-	-	-
	1994-95	145	78	14		92	175	2	-	177	-	110	100	-	-
Trust Fund to Mainstream Human Development into Operational Activities	1996-97	1 120		127	-	127	(26)	(3)	-	(29)	-	1 263	73	-	-
	1994-95	1 466		91		91	355	56		489	-	1 120	1 066		
Global Consultation on Water Supply and Sanitation for the 1990s	1996-97	78	-	9	-	9	(3)	-	-	(3)	-	90	19	-	-
	1994-95	42		6		6	(26)	(8)	-	(32)		78	77		
International Development Research Centre Trust Fund for Information Management Training Series	1996-97	(111)	-	-	-	-	(10)	(1)	-	(11)	-	-	-	-	-
	1994-95	(111)										(111)	6		94
Government of Germany Trust Fund for the UNDP/World Energy Sector Management Assistance Programme	1996-97	877	824	77	-	901	690	60	-	850	-	928	-	-	94
	1994-95	112	1 130	33		1 163	797	101	-	898	-	877			
Trust Fund for UNDP History Project	1996-97	35	6	3	-	9	29	-	-	29	-	9	-	-	-
	1994-95	45	26	3		29	50			50		35	22		

Name of Trust Fund	Year	Fund balances as at 1 January a/	Income: Regular Resources and Cost-sharing: Contribution	Income: Regular Resources and Cost-sharing: Other	Income: Sub-trust funds	Income: Total	Expenditure: Regular Resources and Cost-sharing: Project cost	Expenditure: Regular Resources and Cost-sharing: Other costs	Expenditure: Sub-trust funds	Expenditure: Total	Refunds to donors and transfers to / from other funds - net b/	Fund balances as at 31 December a/	Unspent project budget allocations c/	Unspent project budget allocations in excess of Fund balances c/	Contributions receivable c/
UNDP Trust Fund for Council on Health Research for Development (COHRED)	1996-97	68	800	-	-	800	965	67	-	1 032	-	(164)	78	(142)	-
	1994-95		717			717	628	44	-	672	-	45	723	(678)	671
UNDP Trust Fund for Technical Assistance to Electoral Processes	1996-97	63	-	7	-	7	-	-	-	-	-	70	-	-	-
	1994-95	-	63			63	-	-	-	-	-	63	-	-	-
Enhancement of Private Sector Role in Development	1996-97	-	-	-	80	80	-	-	80	80	-	-	-	-	-
	1994-95					-	-	-	-	-	-	-	-	-	-
UNDP Trust Fund in Support of the Activities of the World Commission on Forests and Sustainable Development	1996-97	-	496	(63)	-	670	767	96	-	863	-	(3883)	-	-	166
	1994-95	-				-	-	-	-	-	-	-	-	-	-
UNDP Trust Fund for World Summit on Social Development	1996-97	-	10 650	91	-	10 849	1 003	48	-	1 049	-	9 801	6 276	-	336
	1994-95	-				-	-	-	-	-	-	-	-	-	-
UNDP Trust Fund for the African 2000 Network	1996-97	971	-	189	-	189	556	78	-	633	-	648	682	(134)	-
	1994-95	5 459	1 604	358	-	1 962	5 036	814	-	6 850	-	971	1 027	(56)	-
Trust Fund for Special Economic Assistance Programmes	1996-97	237	-	13	-	13	-	-	-	-	(250)	-	-	-	-
	1994-95	220	-	17		17	-	-	-	-	-	237	17	-	-
UNDP Trust Fund for the Independent International Commission on Health Research for Developing Countries	1996-97	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1994-95	17	10	-	-	10	26	3		27	-	-	-	-	-
UNDP Trust Fund for Public-Private Partnerships for the Urban Environment	1996-97	-	1 296	-	-	1 296	539	88	-	627	-	769	668	-	-
	1994-95					-	-	-	-	-	-	-	-	-	-
UNDP Trust Fund for Capacity Development Assessment	1996-97	-	-	-	6 548	6 548	-	-	-	-	-	6 548	-	-	-
	1994-95					-	-	-	-	-	-	-	-	-	-
UNDP/Denmark Trust Fund for Local Initiative Facility for Urban Environment (LIFE) in the Low-Income Urban Areas in Thailand	1996-97	367	-	20	-	20	273	25	-	298	-	87	78	-	-
	1994-95		384			384	25	2	-	27	-	367	273	(181)	-
UNDP Trust Fund for Social Mobilization for Development	1996-97	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1994-95	1				-	-	-	-	-	(1)	-	-	-	-
Family Health International Trust Fund	1996-97	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1994-95	1				-	-	-	-	-	(1)	-	-	-	-
ADP - BDP/NEXT															
UNDP/Denmark Trust Fund for Global and Regional Support for the Aid Accountability Initiative	1996-97	-	6 302	98	-	6 300	1 649	98	-	1 847	-	3 861	367	-	-
	1994-95					-	-	-	-	-	-	-	-	-	-
Netherlands Trust Fund for Special Action Programme for Public Administration and Management (SAPAM)	1996-97	2 166	-	256	-	256	81	10	-	91	-	2 327	1 178	-	-
	1994-95	2 585		188		188	536	78	-	609	-	2 166	1 081		

Name of Trust Fund	Year	Fund balances as at 1 January a/	Income: Regular Resources and Cost-sharing: Contribution	Income: Regular Resources and Cost-sharing: Other	Income: Sub-trust funds	Income: Total	Expenditures: Regular Resources and Cost-sharing: Project cost	Expenditures: Regular Resources and Cost-sharing: Other costs	Expenditures: Sub-trust funds	Expenditures: Total	Refunds to donors and transfers to / from other funds - net b/	Fund balances as at 31 December a/	Unspent project budget allocations c/	Unspent project budget allocations in excess of Fund balances c/	Contributions receivable c/
BDP - BDP/PSDP															
UNDP Trust Fund to Support Micro-Finance and Enterprise Development	1996-97	-	1 070	-	-	1 070	8	1	-	10	-	1 060	1 060	(20)	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BDP - BDP/TSE															
UNDP Development Study Programme	1996-97	130	93	-	-	93	330	-	-	330	-	(107)	11	(140)	30
	1994-95	367	245	2	-	247	496	-	-	496	-	120	100	-	-
BDP - BDP/EMRD/EAP															
UNDP/Sweden Trust Fund on Support to the Technical Advisory Committee on the Global Water Partnership	1996-97	-	376	-	-	376	-	-	-	-	-	376	-	-	12
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL BDP	1996-97	193 746	226 930	39 279	16 288	272 080	199 880	33 875	6 728	238 380	(873)	227 723	287 268	(117 814)	8 986
	1994-95	107 417	255 309	9 212	10 059	274 580	158 184	27 071	2 936	188 118	(141)	193 786	223 923	(94 255)	11 234
FIELD MANAGERS - UNDP AFRICA															
UNDP Trust Fund for Angola	1996-97	870	7 650	40	16 787	24 506	396	0	8 668	8 668	(71)	10 136	13 030	-	3 120
	1994-95		570			570	-	-	-	-	-	570	-	-	-
UNDP/Sweden Trust Fund on Support to a Financial Systems Development Project, Angola Phase II	1996-97	883	408	41	-	449	1 666	181	-	1 816	(41)	514	886	(340)	-
	1994-95		923			923	-	-	-	-	-	923	-	-	615
UNDP Trust Fund for Emergency Humanitarian Assistance to Angola	1996-97	-	-	6	-	6	-	-	-	-	(6)	-	-	-	-
	1994-95	169	-	10	-	10	376	(197)	-	179	-	-	-	-	-
Trust Fund for the Norwegian Contribution to the Angolan Petroleum Training Centre in Sumbe	1996-97	672	-	63	-	63	-	-	-	-	-	636	-	-	-
	1994-95	631	-	41	-	41	-	-	-	-	-	672	-	-	-
UNDP/Sweden Trust Fund for Support to the Preparation of a Country Report on Water Resources in Angola	1996-97	-	93	-	-	93	-	-	-	-	-	93	-	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/Denmark Trust Fund for Electoral Assistance Project in Burundi	1996-97	188	-	17	-	17	-	-	-	-	-	178	180	-	-
	1994-95	150	(41)	9	-	9	-	-	-	-	-	159	150	-	-
UNDP/Sweden Trust Fund to Support Reconstruction and Reconciliation Activities in Burundi	1996-97	148	118	9	-	121	148	6	-	144	(9)	108	600	(1011)	1 745
	1994-95		142			142	-	-	-	-	-	142	-	-	-
Finland/UNDP Trust Fund for the Construction of an Agro-Veterinary School in Rusheshi	1996-97	1 162	105	130		233	133	8	-	131	-	1 306	148	-	-
	1994-95	1 261		103		103	189	13	-	202	-	1 162	162	-	84
UNDP Trust Fund for Rwanda	1996-97	16 676	66 466	466	11 816	66 676	17 783	1 000	10 167	31 670	-	61 681	83 886	-	6 959
	1994-95	-	13 466		7 241	20 705	3 966	263	9	3 638	-	16 676	4 638	-	-
Trust Fund for Emergency Assistance to the People's Republic of Mozambique	1996-97	1 611	-	70		70	1 596	87	-	1 681	(71)	123	168	(30)	-
	1994-95	1 679		121		121	373	12	-	385	-	1 611	900	-	-

Best copy available

Name of Trust Fund	Year	Fund balances as at 1 January a/	Income: Regular Resources and Cost-sharing: Contribution	Income: Regular Resources and Cost-sharing: Other	Income: Sub-trust funds	Income: Total	Expenditure: Regular Resources and Cost-sharing: Project cost	Expenditure: Regular Resources and Cost-sharing: Other costs	Expenditure: Sub-trust funds	Expenditure: Total	Refunds to donors and transfers to / from other funds - net b/	Fund balances as at 31 December a/	Unspent project budget allocations c/	Unspent project budget allocations in excess of Fund balances c/	Contributions receivable c/
UNDP Trust Fund for the Mozambique Demobilization Programme	1996-97	187	-	20	-	20	10	-	-	10	-	170	100	-	-
	1994-95	6 940	(6 810)	133	-	(6 687)	1 309	33	-	1 331	-	187	181	-	-
UNDP Trust Fund for the Reintegration of Demobilized Military Personnel in Mozambique	1996-97	9 334	1 666	636	-	1 600	9 216	200	-	9 906	(911)	1 000	1 960	(9731	-
	1994-95	-	37 746	180	-	37 926	27 857	833	-	30 490	-	9 334	8 963	1 760	60
UNDP/Norway Trust Fund for Assistance to the Electoral Process in Mozambique	1996-97	369	3 866	260	-	3 696	6 636	170	-	6 816	-	(760)	1 860	(1 660)	3 877
	1994-95	676	23 869	(126)		23 665	23 293	699	-	23 992	-	369	1 160	(816)	-
UNDP/IDA Trust Fund for the National Environment Support Programme in Mozambique	1996-97	200	-	26	-	26	-	-	-	-	-	251	200	-	-
	1994-95		300	7		667	70	6	-	63	-	226	200	-	-
UNDP Trust Fund for the Mozambique Mine Clearance Programme	1996-97	396	3 366	66	-	3 670	600	66	-	656	-	3 220	10 650	(7 610)	636
	1994-95		6 784			6 784	6 696	293	-	6 589	-	196	160	-	-
Sweden Trust Fund for "Support to the Programme for Refugee Reintegration and Rehabilitation of Resettlement Areas in Eritrea"	1996-97	3 666	-	211	-	211	-	-	-	-	(2111	3 666	3 656	-	-
	1994-95		2 656			2 656	-	-	-	-	-	2 656	-	-	-
Trust Fund for Democratization Support to Electoral Process in Guinea Bissau	1996-97	30	-	33	-	33	-	-	-	-	-	66	33	-	-
	1994-95	19	1 212			1 212	1 161	66	-	1 199	-	32	-	-	-
UNDP Trust Fund for Demobilization, Reintegration, Rehabilitation and Recovery in Sierra Leone	1996-97	-	3 261	13	-	3 264	666	136	-	1 633	-	1 330	763	-	-
	1994-95						-	-	-	-	-	-	-	-	-
CIDA/UNDP Trust Fund to Support "Recensement general de la population et de l'habitat" in Senegal	1996-97	660	-	61	-	61	-	-	-	-	-	691	67	-	-
	1994-95	600		92		92	111	6	-	116	-	660	67	-	-
UNDP Trust Fund to Support the Peace Process in North Mali	1996-97	1 360	7 630	8	-	7 637	6 662	201	-	6 163	-	160	-	-	5
	1994-95		1 360			1 360	-	-	-	-	-	1 360			
UNDP/Sweden Trust Fund for Support to the Electoral Process in Mali	1996-97	-	66	-	-	66	-	-	-	-	-	66	-	-	-
	1994-95						-	-	-	-	-	-	-	-	-
UNDP Trust Fund for Namibia	1996-97	620	-	56	-	56	337	29	-	366	-	113	500	(3131	5
	1994-95	665	533	65		597	1 006	113	-	1 117	-	620	576	-	-
United Nations Trust Fund for Operational Programme in Lesotho	1996-97	610	-	20	-	20	-	-	-	-	(630)	-	-	-	-
	1994-95	681		29		29	-	-	-	-	-	919	5	-	154
UNDP Trust Fund for the UN Educational and Training Programme for Southern Africa (UNETPSA)	1996-97	-	7 650	116	1 201	8 670	3 666	286	1 760	4 716	-	3 961	3 363	-	6
	1994-95														
UNDP Trust Fund in Support of the Steering Committee and Secretariat for the United Nations Programme of Action for African Economic Recovery and Development	1996-97	16	-	6		6	3	-	-	3	-	16	16	-	-
	1994-95	266		17		17	271	16	-	287	-	16	13	-	-

Name of Trust Fund	Year	Fund balances as at 1 January a/	Income: Regular Resources and Cost-sharing: Contribution	Income: Regular Resources and Cost-sharing: Other	Income: Sub-trust funds	Income: Total	Expenditure: Regular Resources and Cost-sharing: Project cost	Expenditure: Regular Resources and Cost-sharing: Other costs	Expenditure: Sub-trust funds	Expenditure: Total	Refunds to donors and transfers to / from other funds - net b/	Fund balances as at 31 December a/	Unspent project budget allocations c/	Unspent project budget allocations in excess of Fund balances c/	Contributions receivable c/
Trust Fund with Norway for Support for Governance in Africa	1996-97	10 000	1 743	593	-	2 336	663	86	-	949	-	11 474	7 896	-	1 833
	1994-95	-	10 000	-	-	10 000	-	-	-	-	-	10 000	-	-	-
African Training and Management Services (ATMS) Project	1996-97	200	1 700	90	-	1 790	1 004	181	-	1 178	-	922	816	-	-
	1994-95	1 000	820	90	-	910	1 672	189	-	1 761	-	350	1 870	-	200
UNDP/United Support of Artists for Africa Trust Fund	1996-97	310	-	36	-	36	277	31	-	308	-	47	-	-	-
	1994-95	296	-	23	-	23	-	-	-	-	-	319	-	-	-
UNDP Trust Fund for Assistance to Refugee-Related Development Projects in Africa - ICARA II	1996-97	682	-	70	-	70	330	58	-	391	-	526	241	-	-
	1994-95	1 620	-	70	-	70	656	499	-	697	-	602	666	-	-
UNDP Trust Fund to Combat Poverty and Hunger in Africa	1996-97	1 017	-	18	70	88	-	-	-	-	-	1 100	98	-	-
	1994-95	953	-	27	67	64	-	-	-	-	-	1 017	38	-	-
UNDP/Live Aid Foundation Trust Fund	1996-97	47	-	0	-	0	-	-	-	-	-	83	-	-	-
	1994-95	44	-	3	-	3	-	-	-	-	-	47	-	-	-
Finland Trust Fund for National Technical Co-operation Assessment and Programme Activities (MATCAP)	1996-97	960	-	69	-	69	317	55	-	392	-	697	710	(131	-
	1994-95	961	-	73	-	73	91	13	-	104	-	650	662	-	-
CIDA/UNDP Trust Fund for the African Project Development Facility	1996-97	(40	-	1	-	1	-	(360	-	(360	-	33	31	-	-
	1994-95	194	144	4	-	150	274	39	-	313	-	(63	20	(331	-
UNDP Trust Fund for Receipt of Payments by Users of the African Project Development Facility	1996-97	140	65	27	-	92	196	31	-	228	-	97	88	-	-
	1994-95	499	189	36	-	225	427	69	-	496	-	180	-	-	-
Trust Fund for Special Netherlands Contribution for the Least Developed Countries	1996-97	600	-	70	-	70	80	19	-	100	-	668	170	-	-
	1994-95	961	-	72	-	72	239	113	-	353	-	680	663	-	-
UNDP Trust Fund for Pooling Agreement for Technical Assistance to the Health Sector	1996-97	1 999	8 968	191	-	9 159	9 097	43	-	9 140	-	9 972	9 350	(8671	697
	1994-95		2 012	-	-	2 012	13	-	-	13	-	1 999	1 999	-	1 402
Fonds Fiduciaire du PNUD Concernant l'Organisation pour l'Harmonisation en Afrique du Droit des Affaires (OHADA TF)	1996-97	-	1 816	(30	-	1 816	863	138	-	981	-	850	19 983	(19 633)	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP Trust Fund to Support Governance in Africa	1996-97	-	950	-	-	950	-	-	-	-	-	950	-	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/EEC Trust Fund Agreement for the Africa 2000 Network Programme - Ghana in Burkina Faso, Cameroon and Uganda	1996-97	-	910	-	-	910	-	-	-	-	-	910	-	-	800
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL UNDP AFRICA	1996-97	53 629	86 287	3 973	33 289	113 660	34 838	3 651	38 836	77 180	(8191)	84 907	80 317	(30 8931	18 883
	1994-95	18 765	38 278	578	7 289	126 344	68 866	3 833	3	73 883	-	53 438	33 473	516	3 584

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FUND MANAGED - BCPR AEIA/PACIFIC															
UNDP Trust Fund for Humanitarian and Rehabilitation Assistance for Cambodia	1996-97	136	-	-	10	10	-	-	11	11	1	130	10	-	-
	1994-95	489	20	-	47	67	-	10	440	440	-	116	40	-	-
UNDP Trust Fund for Capacity Building in De-mining Operations for Cambodia	1996-97	1 110	10 000	60	-	10 000	10 000	1 000	-	10 000	-	1 042	200	-	-
	1994-95	2 433	12 470	123	-	12 593	13 000	910	-	13 910	-	1 110	1 427	(500)	-
Sweden Trust Fund for "Support to De-mining Programmes in Cambodia through the Cambodia Mine Action Centre"	1996-97	1 370	5 340	140	-	5 480	5 650	120	-	5 500	(1011)	4 197	816	-	1 210
	1994-95		1 370	-	-	1 370	-	-	-	-	-	1 370	-	-	1 830
Sweden Trust Fund for "Support to Cambodia Resettlement and Reintegration Programme (CARERE)"	1996-97	1 561	5 010	61	-	5 071	5 607	660	-	5 670	(411)	1 106	1 202	(1001)	11
	1994-95		2 000	-	-	2 000	1 310	160	-	1 470	-	1 561	1 304	(121)	2 729
UNDP/Sweden Trust Fund for "Support to Rural Development in Cambodia"	1996-97	-	5 011	30	-	5 031	1	-	-	1	(201)	5 010	5 107	-	-
	1994-95		-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP Trust Fund in Support of the Cambodia Area Rehabilitation and Reintegration	1996-97	-	5 000	-	-	5 000	1 000	140	-	1 707	-	400	307	-	-
	1994-95		-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/Sweden Trust Fund for Alleviation of Poverty Through ACLEDA's (Association of Cambodian Local Economic Development Agencies) Financial Services	1996-97	-	5 100	-	-	5 100	-	-	-	-	-	5 100	-	-	-
	1994-95		-	-	-	-	-	-	-	-	-	-	-	-	-
CIDA/UNDP Trust Fund for the Bangladesh National Household Survey Capability Programme	1996-97	70	-	0	-	0	3	-	-	0	(441)	-	-	-	-
	1994-95	149	-	9	-	9	87	12	-	99	-	70	14	-	-
UNDP Fund for Emergency Assistance to the People's Republic of Bangladesh	1996-97	159	-	10	-	10	-	-	-	-	-	170	-	-	-
	1994-95	159	-	10	-	10	14	1	-	10	-	169	-	-	-
UNDP Fund for the Utilization of the Residual Funds of the United Nations Special Relief Office in Bangladesh (UNROB)	1996-97	672	-	70	-	70	-	-	-	-	-	740	307	-	-
	1994-95	140	-	93	-	93	(201)	-	-	(201)	-	672	307	-	-
UNDP/Denmark Trust Fund for the "International Training Network Centre for Water Supply and Waste Management in Bangladesh"	1996-97	-	440	7	-	450	102	30	-	340	-	450	1 040	(590)	-
	1994-95		-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/Sweden Trust Fund for Support to the Science, Technology and Environment Operation in the Lao People's Democratic Republic (STENO)	1996-97	200	70	10	-	80	-	-	-	-	(101)	321	510	-	-
	1994-95		240	-	-	240	-	-	-	-	-	240	-	-	-

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UNDP/Lao People's Democratic Republic Trust Fund for Clearance of Unexploded Ordnance (UXO)	1996-97	330	3 938	97	343	4 368	-	-	-	-	(33)	4 710	4 994	(3343)	994
	1994-95	-	330	-	-	330	-	-	-	-	-	330	-	-	33
UNDP/Sweden Trust Fund for Support to Integrated Crop and Food Production in Afghanistan	1996-97	700	1 031	46	-	1 077	943	46	-	989	(32)	993	838	-	-
	1994-95		700	-	-	700	-	-	-	-	-	700	-	-	615
UNDP/Sweden Trust Fund for Support to the Rural Rehabilitation Programme in Afghanistan	1996-97	488	-	15	-	15	396	61	-	457	-	7	-	-	-
	1994-95	-	488	-	-	488	-	-	-	-	-	488	-	-	-
UNDP Afghanistan Emergency Trust Fund	1996-97	(941)	-	1	-	1	(1003)	(183)	-	(1791)	-	88	178	(933)	-
	1994-95	26	40	2	-	42	146	18	-	163	-	(941)	489	(5051)	-
Sweden Trust Fund for the project "Support to the Comprehensive Disabled Afghans Programme (CDAP)"	1996-97	380	701	9	-	709	681	76	-	727	(9)	666	31	-	368
	1994-95	-	380	-	-	380	-	-	-	-	-	380	-	-	623
CIDA/UNDP Trust Fund for the Pakistan National Household Survey Capability Programme	1996-97	69	-	6	-	6	-	(3)	-	(3)	(791)	-	-	-	-
	1994-95	95	-	6	-	6	11	1	-	13	-	69	91	-	-
UNDP Trust Fund for the Republic of Maldives	1996-97	37	-	3	-	3	-	-	-	-	-	39	3	-	-
	1994-95	141	(141)	7	-	(134)	-	-	-	-	-	37	3	-	-
UNDP/HOVIB/Group of Resource Persons for Awareness Creation for Environment and Sustainable Development in Asia	1996-97	56	-	6	-	6	-	-	-	-	-	62	98	(391)	87
	1994-95		55	1		56	-	-	-	-	-	56	-	-	27
Trust Fund for Environmental Conservation in Bhutan	1996-97	11 693	4 868	613	-	4 673	114	38	-	136	(16 138)	-	-	-	-
	1994-95	10 406	522	1 031	-	1 553	207	57	-	264	-	11 693	12	-	-
Sweden Trust Fund for "Strengthening Financial Policies and Institutions in Vietnam"	1996-97	-	471	12	-	483	256	88	-	264	(10)	269	258	(1613)	135
	1994-95						-	-	-	-	-	-	-	-	-
Australian Development Assistance Bureau (ADAB)/UNDP Programme Trust Fund	1996-97	734	-	72	-	72	38	-	-	38	-	767	148	-	-
	1994-95	701	22	54	-	76	44	(1)	-	43	-	734	6	-	-
UNDP/Australia Trust Fund for Fiscal and Monetary Management Reform and Statistical Improvement, Phase II	1996-97	-	529	8	-	537	448	36	-	484	-	111	368	(1873)	235
	1994-95						-	-	-	-	-	-	-	-	-
UNDP/Republic of Korea Trust Fund in Support of the Tumen River Area Development Programme	1996-97	-	1 000	63	-	1 063	-	-	-	-	-	1 063	-	-	-
	1994-95	-					-	-	-	-	-	-	-	-	-
UNDP/Democratic People's Republic of Korea Trust Fund for Agricultural Relief and Rehabilitation Programme	1996-97	-	615	1	-	616	170	18	-	188	-	828	17	-	-
	1994-95	-					-	-	-	-	-	-	-	-	-
UNDP/EEC Trust Fund Agreement for Multi-Donor Partner Support to the Mekong River Commission for Key Officers Posts and Capacity Building	1996-97	-	319	-	-	319	-	-	-	-	-	319	-	-	169
	1994-95						-	-	-	-	-	-	-	-	-

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UNDP/Republic of Korea Trust Fund	1996-97	-	200	-	-	200	-	-	-	-	-	200	-	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/Sweden Trust Fund on Support to Capacity Development for Socio-Economic Surveys and Planning	1996-97	-	1 022	-	-	1 022	-	-	-	-	-	1 022	-	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/Sweden Trust Fund for the Project Rural Access Planning and Infrastructure for Basic Needs	1996-97	-	88	-	-	88	-	-	-	-	-	88	200	(1091)	111
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rehabilitation Assistance to Anhui Province Following Flood Disaster	1996-97	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1994-95	7	-	-	-	-	(10)	17	-	7	-	-	-	-	-
TOTAL UNDP ASIA/PACIFIC	1996-97	19 483	51 669	1 238	378	53 210	37 813	3 166	11	30 990	(16 890)	26 834	13 891	(1 841)	3 771
	1994-95	15 609	13 263	1 100	67	20 630	16 787	1 166	833	16 786	-	19 453	3 693	(1 027)	5 365
FUND MANAGED - UNDP EUROPE AND CIS															
Nicosia Master Plan: Implementation Phase	1996-97	3	-	-	-	-	-	-	-	-	-	3	-	-	-
	1994-95	69	-	6	-	6	66	6	-	66	-	3	-	-	-
UNDP Trust Fund for the Baltic Republics	1996-97	1 614	197	164	-	361	1 191	16	-	1 206	-	870	287	-	-
	1994-95	565	1 045	44	-	1 089	352	9	-	360	-	1 614	488	-	-
Trust Fund on the "United Nations Consolidated Inter-Agency Appeal for Tajikistan"	1996-97	283	-	31	-	31	191	31	-	218	(36)	67	86	-	-
	1994-95	-	280	3	-	283	-	-	-	-	-	283	-	-	-
UNDP/Switzerland Trust Fund for Aid Management and Aid Co-ordination in Kyrgyzstan	1996-97	695	78	86	-	164	261	34	-	295	(3466)	132	86	-	-
	1994-95		660	13		693	-	-	-	-	-	693	950	-	-
Trust Fund in Support of the Strengthening of the Ministry of Foreign Affairs in Kyrgyzstan	1996-97	286	-	16	-	16	268	28	-	276	-	26	60	(66)	60
	1994-95		626	2	-	628	186	13	-	197	-	286	346	(63)	60
UNDP Trust Fund for Urgent Human Needs in Uzbekistan	1996-97	368	186	39	-	166	369	18	-	686	-	183	273	(2701)	-
	1994-95		695	11	-	816	443	13	-	456	-	368	199	-	
UNDP/Physicians for Human Rights (NGO) Trust Fund for "Humanitarian Assistance Activities in the Former Yugoslavia"	1996-97	-	1 666	23	-	1 689	666	13	-	647	-	156	136	-	-
	1994-95		-			-	-	-	-	-	-	-	-	-	
Trust Fund in Support of National Capacity Building in External Aid Resources Management	1996-97	791	686	21	-	681	964	116	-	1 666	-	666	666	(66)	113
	1994-95	-	766	3	-	791	-	-	-	-	-	791	1 666	(666)	
Trust Fund for the Aral Sea Basin Programme	1996-97	736	276	66	-	366	666	66	-	611	-	146	676	(1366)	666
	1994-95	-	1 166	6	-	1 166	676	66	-	636	-	736	1 166	(466)	276
Europe to Beijing: Gender in Development Trust Fund	1996-97	166	66	3	-	66	176	26	-	196	-	6	6	(26)	-
	1994-95	-	266	-	-	266	66	6	-	66	-	166	466	(266)	-

Name of Trust Fund	Year	Fund balances as at 1 January a/	Income: Regular Resources and Cost-sharing: Contribution	Income: Regular Resources and Cost-sharing: Other	Income: Sub-trust funds	Income: Total	Expenditure: Regular Resources and Cost-sharing: Project cost	Expenditure: Regular Resources and Cost-sharing: Other costs	Expenditure: Sub-trust funds	Expenditure: Total	Refunds to donors and transfers to / from other funds - net b/	Fund balances as at 31 December a/	Unspent project budget allocations c/	Unspent project budget allocations in excess of Fund balances c/	Contributions receivable c/
UNDP Sakha Republic (Yakutia) Trust Fund for the Programme of Assistance to the Northern Indigenous Peoples of the Sakha Republic	1995-97	-	220	3	-	223	1	-	-	1	-	227	-	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/EEC Trust Fund Agreement for the Project Support to Refugees and Displaced Persons in Bosnia	1995-97	-	1 666	-	-	1 666	1 196	93	-	1 319	-	665	6 666	(6 161)	5 666
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/EEC Trust Fund for Support to Village Employment Creation in Bosnia and Herzegovina	1995-97	-	663	(103)	-	673	33	-	-	33	-	650	1 199	(691)	663
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/EEC Trust Fund for Village Employment and Environment Project in Bosnia and Herzegovina	1995-97	-	3 663	(67)	-	3 636	90	-	-	90	-	3 746	6 666	(3 919)	3 666
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/Sweden Trust Fund to Support the Rehabilitation and Sustainable Development of War-torn Areas in Croatia	1995-97	-	183	-	-	183	133	13	-	146	-	36	47	(11)	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/EEC Trust Fund for the Project "Promotion of Social Integration in Latvia: Language Training Programme"	1995-97	-	333	(9)	-	316	-	-	-	-	-	316	180	-	337
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/Sweden Trust Fund for Capacity Development of the Latvian National Human Rights Office	1995-97	-	133	-	-	133	130	-	-	130	-	6	330	(324)	330
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL UNDP EUROPE AND CIS	1995-97	1 016	7 868	331	-	8 179	6 630	306	-	7 838	(336)	5 830	14 331	(9 515)	8 824
	1994-95	676	5 773	86	-	5 859	1 631	88	-	1 519	-	5 016	6 365	(1 370)	350
FUND NUMBER - UNDP LATIN AMERICA AND THE CARIBBEAN															
CIDA/UNDP Trust Fund for the Caribbean Project Development Facility	1995-97	-	-	-	-	-	-	-	-	-	-	-	81	(81)	-
	1994-95	(7)	-	-	-	-	(7)	-	-	(7)	-	-	81	(81)	-
CIDA/UNDP Trust Fund for Receipt of Payment by Users of the Caribbean Project Development Facility	1995-97	30	-	3	-	3	-	-	-	-	-	33	63	(63)	-
	1994-95	660	25	20	-	53	993	10	-	1 003	-	30	63	(93)	-
UNDP Trust Fund for Assistance to the Technical Co-operation Fund between Peru and Argentina to Administer Food Aid	1995-97	210	-	20	-	20	-	-	-	-	-	230	-	-	-
	1994-95	160	-	15	-	15	5	-	-	5	-	210	70	-	-
UNDP/Norway Trust Fund for the Special Plan of Economic Co-operation for Central America	1995-97	10	-	3	-	3	-	-	-	-	-	30	30	(6)	-
	1994-95	16	-	2	-	2	-	-	-	-	-	10	26	(16)	-
UNDP Trust Fund for the Regional Project "Cultural Heritage and Development"	1995-97	66	-	3	-	3	-	-	-	-	-	69	30	-	-
	1994-95	30	3	3	-	10	-	-	-	-	-	46	30	-	-

Name of Trust Fund	Year	Fund balances as at 1 January a/	Income: Regular Resources and Cost-sharing: Contribution	Income: Regular Resources and Cost-sharing: Other	Income: Sub-trust funds	Income: Total	Expenditure: Regular Resources and Cost-sharing: Project cost	Expenditure: Regular Resources and Cost-sharing: Other costs	Expenditure: Sub-trust funds	Expenditure: Total	Refunds to donors and transfers to / from other funds - net b/	Fund balances as at 31 December a/	Unspent project budget allocations c/	Unspent project budget allocations in excess of Fund balances c/	Contributions receivable c/
UNDP/JAIDO Trust Fund for Sea Island Cotton Pilot Production	1996-97	90	-	11	-	11	91	1	-	92	-	89	10	-	-
	1994-95	91	-	9	-	9	-	-	-	-	-	98	78	-	-
Trust Fund for the FMLN Relocation Points in El Salvador	1996-97	116	-	13	-	13	6	3	-	9	(77)	113	122	(9)	-
	1994-95	712	932	49	-	981	1 679	118	-	1 197	-	116	78	-	-
Trust Fund in Support of Peace Building Activities in El Salvador	1996-97	3 826	491	636	-	918	P 2 066	78	-	2 120	(1 183)	1 440	1 067	-	661
	1994-95	4 683	2 597	206	-	2 803	3 023	36	-	3 058	-	3 826	600	-	744
Support to the Joint Group in El Salvador	1996-97	68	-	9	-	9	9	-	-	9	-	68	9	-	-
	1994-95		925	9	-	934	866	25	-	891	-	43	43	-	-
UNDP/Japan Trust Fund in Support of Reintegration Activities in Haiti	1996-97	2 600	-	200	-	200	1 306	169	-	1 988	-	1 369	1 200	-	-
	1994-95		2 600	-	-	2 600	-	-	-	-	-	2 600	-	-	-
UNDP/Sweden Trust Fund on Support to Improved Handling of Property Issues in Nicaragua	1996-97	303	500	30	-	530	952	9	-	961	(301)	131	70	-	-
	1994-95		486		-	486	141	-	-	141	-	303	809	(516)	816
UNDP/Spain Trust Fund for Support to the Governance in Central America	1996-97	11 000	(9861)	1 170	-	309	8 096	791	-	8 287	-	8 382	6 966	-	-
	1994-95		11 000		-	11 000	-	-	-	-	-	11 000	-	-	-
UNDP/European Economic Commission Trust Fund for "PPR Technical Assistance Project"	1996-97	-	869	-	-	869	855	9	-	869	-	(153)	66	(61)	38
	1994-95														
UNDP Trust Fund for the Implementation of the Agreement on the Resettlement of Populations Uprooted by Armed Conflict in Guatemala	1996-97	-	6 656	-	-	6 656	1 668	38	-	1 186	-	3 716	1 696	-	539
	1994-95														
UNDP Trust Fund for Electoral Assistance to Haiti	1996-97	-	1 668	-	-	1 668	1 687	186	-	1 868	-	78	99	-	-
	1994-95														
UNDP Trust Fund for Assistance to the Haitian National Police	1996-97	-	613	-	-	613	13	3	-	16	-	698	618	(13)	-
	1994-95														
TOTAL UNDP LATIN AMERICA AND THE CARIBBEAN	1996-97	18 388	7 838	1 971	-	9 869	13 688	1 193	-	13 867	(1 193)	13 181	9 868	(188)	788
	1994-95	6 105	18 171	316	-	18 587	6 835	189	-	6 226	-	18 388	1 726	(537)	1 158
FUND MANAGED - SPAIN															
UNDP Trust Fund for Support to the Resident Coordinator System	1996-97	3 666	-	-	-	-	-	-	-	-	(3 666)	-	-	-	-
	1994-95		3 666			3 666	-	-	-	-	-	3 666	-	-	-
UNDP Trust Fund for the Evaluation of UNIFEM	1996-97	188	97	3	-	100	382	28	-	388	-	12	7	-	-
	1994-95		188			188	8	1	-	6	-	182	266	-	-
UNDP/Switzerland Trust Fund for Namibia	1996-97	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1994-95	16	(6)	1	-	(3)	15	-	-	15	-	-	-	-	-

Name of Trust Fund	Year	Fund balances as at 1 January a/	Income: Regular Resources and Cost-sharing: Contribution	Income: Regular Resources and Cost-sharing: Other	Income: Sub-trust funds	Income: Total	Expenditure: Regular Resources and Cost-sharing: Project cost	Expenditure: Regular Resources and Cost-sharing: Other costs	Expenditure: Sub-trust funds	Expenditure: Total	Refunds to donors and transfers to / from other funds - net b/	Fund balances as at 31 December a/	Unspent project budget allocations c/	Unspent project budget allocations in excess of Fund balances c/	Contributions receivable c/
Swedish Trust Fund on "Efficiency and Effectiveness Enhancing Measures Within UNDP"	1996-97	3 687	6 730	46	-	6 816	6 823	350	-	6 800	(96)	3 870	1 667	-	-
	1994-95	-	3 666	-	-	3 666	350	-	-	350	-	3 437	-	-	-
TOTAL SFEM	1996-97	6 265	6 827	66	-	6 816	6 474	386	-	6 860	(3 670)	3 390	1 664	-	-
	1994-95	18	6 666	1	-	6 667	279	1	-	280	-	6 205	284	-	-
FUND MANAGER - SFEM/DSPC															
UNDP Trust Fund for the Developing Countries Afflicted by Famine and Malnutrition	1996-97	1 301	-	100	-	100	836	-	-	836	-	966	2 666	(1 770)	-
	1994-95	670	1 657	72	-	1 829	1 666	-	-	1 666	-	1 291	1 236	-	-
Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries	1996-97	-	-	-	-	-	-	-	-	-	-	-			
	1994-95	133	-	-	-	-	(63)	(6)	-	(666)	(182)	-			
TOTAL SFEM/DSPC	1996-97	1 301	-	100	-	100	836	-	-	836	-	966	2 666	(1 770)	-
	1994-95	1 002	1 857	72	-	1 929	1 665	(6)	-	1 659	(182)	1 291	1 236	-	-
FUND MANAGER - HDRO															
Sweden Trust Fund for Making the Human Development Report and the Human Development Index Gender Sensitive	1996-97	968	-	66	-	66	662	61	-	666	(66)	102	66	-	-
	1994-95		1 666	16	-	1 762	962	96	-	1 666	-	762	616	-	-
Elaboration of Methods and Techniques of Operationalizing the Human Development Concept	1996-97	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1994-95	(36)	-	1	-	1	(36)	(3)	-	(66)	-	-	33	(33)	-
German Edition of the Human Development Report (1994 and 1996)	1996-97	(6)	-	1	-	1	(6)	-	-	(6)	-	-	-	-	-
	1994-95		62			62	62	9	-	67	-	(5)	-	-	-
TOTAL HDRO	1996-97	662	-	66	-	66	666	61	-	666	(66)	102	66	-	-
	1994-95	(36)	1 726	17	-	1 765	916	106	-	1 016	-	697	646	(33)	-
FUND MANAGER - OPG/ERD															
Disaster Management Training Programme	1996-97	36	-	6	-	6	-	-	-	-	-	36	-	-	-
	1994-95	36		6	-	6	53	(65)	-	6	-	36	-	-	-
UNDP Trust Fund for Sustainable Social Development, Peace and Support to Countries in Special Situations	1996-97	-	666	61	26 762	26 269	-	-	2 633	2 633	-	23 636	3 666	-	-
	1994-95	-				-	-	-	-	-	-	-	-	-	-
TOTAL OPG/ERD	1996-97	36	666	66	26 762	26 276	-	-	2 633	2 633	-	23 676	3 666	-	-
	1994-95	36		6		6	53	(65)	-	6	-	36	-	-	-
FUND MANAGER - OA/PAPP															
UNDP Fund for the Programme of Assistance to the Palestinian People	1996-97	26 726	76 616	3 266	11 266	66 631	66 766	6 766	6 266	77 666	(6)	26 333	37 766	-	6 216
	1994-95	11 616	66 366	111	6 263	66 666	63 836	3 366	1 266	66 361	-	26 726	26 726	-	6 666
TOTAL OA/PAPP	1996-97	26 726	76 616	3 266	11 266	66 631	66 766	6 766	6 266	77 666	(6)	26 333	37 766	-	6 216
	1994-95	11 616	66 366	111	6 263	66 666	63 836	3 366	1 266	66 361	-	26 726	26 726	-	6 666

Name of Trust Fund	Year	Fund balances as at 1 January a/	Income: Regular Resources and Cost-sharing: Contribution	Income: Regular Resources and Cost-sharing: Other	Income: Sub-trust funds	Income: Total	Expenditure: Regular Resources and Cost-sharing: Project cost	Expenditure: Regular Resources and Cost-sharing: Other costs	Expenditure: Sub-trust funds	Expenditure: Total	Refunds to donors and transfers to / from other funds - net b/	Fund balances as at 31 December a/	Unspent project budget allocations c/	Unspent project budget allocations in excess of Fund balances c/	Contributions receivable c/
FUND MANAGER - DO/TCDC															
Perez-Guerrero Trust Fund for Economic and Technical Co-operation among Developing Countries (note 28)	1996-97	6 160	-	911	-	911	690	8	-	698	-	6 974	788	-	-
	1994-95	6 290		723	-	723	686	8	-	694	-	6 153	379	-	-
													6		
UNDP/DEVNET Trust Fund for Technological Information Pilot System (TIPS)	1996-97	30	510	7	-	686	373	41	-	414	-	160	189	-	-
	1994-95		140			140	111	10	-	121	-	39	39	-	-
UNDP Trust Fund for the Promotion of South-South Cooperation	1996-97	-	200	-	-	200	-	-	-	-	-	200	-	-	-
	1994-95														
TOTAL DO/TCDC	1996-97	6 190	710	918	-	1 636	888	62	-	950	-	6 926	878	-	-
	1994-95	6 290	140	723		863	766	18	-	785	-	6 192	418	-	-
FUND MANAGER - IMPACT/MDP															
Trust Fund Agreement Between UNDP/IMPACT and the Maleysian Organizing Committee of Sportsaid '68	1996-97	616	-	64	-	64	30	-	-	30	(3980)	140	-	-	-
	1994-95	593		24		24	15	-	-	15	-	614	70	-	-
TOTAL IMPACT/MDP	1996-97	616	-	64	-	64	30	-	-	30	(3980)	140	-	-	-
	1994-95	593		24		24	15	-	-	15	-	614	70	-	-
FUND MANAGER - BFAS/UNOPS															
UNDP Trust Fund for Action on Development Issues	1996-97	180	1 650	11	-	1 611	1 666	67	-	1 068	-	733	676	-	-
	1994-95	(271)	2 018			2 018	1 676	60	-	1 666	-	182	148	-	-
TOTAL BFAS/UNOPS	1996-97	182	1 600	11	-	1 611	1 005	57	-	1 062	-	733	676	-	-
	1994-95	(271)	2 018			2 018	1 676	89	-	1 565	-	182	148	-	-
FUND MANAGER - UN/OPPBF															
UNDP Trust Fund for the Nationhood Programme of the Fund for Namibia	1996-97	128	-	6	-	6	-	-	-	-	(1341)	-	-	-	-
	1994-95	173	5	62		67	61	31	-	102	-	128	-	-	-
TOTAL UN/OPPBF	1996-97	128	-	6	-	6	-	-	-	-	(1341)	-	-	-	-
	1994-95	173	5	34		57	61	21	-	102	-	128	-	-	-
FUND MANAGER - UNDP ARAB STATES															
UNDP/Sweden Trust Fund for the Project "Local Administrative Structures in Somalia"	1996-97		666	6	-	672	11	1	-	12	(6)	656	656	-	-
	1994-95														
TOTAL UNDP ARAB STATES	1996-97	-	666	6	-	672	11	1	-	12	(6)	656	656	-	-
	1994-95														

Name of Trust Fund	Year	Fund balances as at 1 January a/	Income: Regular Resources and Cost-sharing: Contribution	Income: Regular Resources and Cost-sharing: Other	Income: Sub-trust funds	Income: Total	Expenditure: Regular Resources and Cost-sharing: Project cost	Expenditure: Regular Resources and Cost-sharing: Other costs	Expenditure: Sub-trust funds	Expenditure: Total	Refunds to donors and transfers to / from other funds - net b/	Fund balances as at 31 December a/	Unspent project budget allocations c/	Unspent project budget allocations in excess of Fund balances c/	Contributions receivable c/
FUND ESTABLISHED - UNDP GENEVA															
UNDP Trust Fund for Advocacy	1996-97	-	44	-	-	44	-	-	-	-	-	44	-	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL - UNDP GENEVA	1996-97	-	44	-	-	44	-	-	-	-	-	44	-	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	1996-97	336 831	460 640	43 388	81 804	884 844	373 888	46 686	38 878	488 138	(33 187)	443 873	432 239	(161 636)	41 529
	1994-95	167 920	474 124	12 922	21 457	508 713	298 288	35 030	6 971	340 289	(121)	336 023	288 618	(96 866)	31 440
					d/	statement I.3			d/	statement I.3		statement II.3			

[a] Note 2 (i).

[b] Includes savings on prior biennium's obligations, where applicable.

[c] Off-balance sheet item for information purposes only.

[d] Schedule 5.1.

The accompanying notes are an integral part of the financial statements.

Schedule 5.1

Status of sub-trust funds established by the United Nations Development Programme: schedule of income, expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

Name of Sub-Trust Fund	Fund balances as at 1 January 1996	Income			Expenditure			Refunds to donors and transfers to/ from other funds - net	Fund balances as at 31 December 1997	a/ Unspent project budget allocations	a/ Unspent project budget allocations in excess of Fund balances	a/ Contributions receivable
		Contributions	Other	Total	Project costs	Other costs	Total					
FUND MANAGER - SDF												
1. **TRUST FUND TO COMBAT DESERTIFICATION & DROUGHT (UNSO)**												
Donor: **Sweden**												
Creation of Family Wood Lots in the Provinces of Boulkiemde and Sanguie, Burkina Faso	11	-	1	1	-	-	-	(12)	-	-	-	-
Support to the Construction and Diffusion of Improved Woods Stoves	2	-	-	-	-	-	-	(2)	-	-	-	-
Village and Family Woodlots in the Province of Sanguie and Boulkiemde, Burkina Faso	420	-	24	24	-	-	-	(444)	-	-	-	-
Integrated Afforestation Project in the Louga, Bahel and Mbake Regions of Senegal	129	-	7	7	-	-	-	(136)	-	-	-	-
Land Use Management and Agro-Forestry Development in Dosso Niger	173	-	15	15	350	18	368	180	-	-	-	-
Natural Resource Management (Preparatory Phase), Comoe and Kenedougou Provinces, Burkina Faso	2	-	-	-	-	-	-	(2)	-	-	-	-
National Seed Procurement and Tree Improvement Project, Ethiopia	238	10	2	12	352	34	386	217	81	36	-	-
Donor: **Norway**												
Norway Programme Support to Affected Countries in the context of the Urgent Action for Africa under CCD	-	2 901	51	2 952	663	6	669	-	2 283	2 346	(63)	1 343
Donor: **Denmark**												
Programme of Support to the Implementation under the Convention to Combat Desertification in East and Southern Africa	-	2 139	52	2 191	269	3	272	-	1 919	1 710	-	-
	975	5 050	152	5 202	1 634	61	1 695	(159)	4 283	4 092	(63)	1 343
				schedule 5			schedule 5		schedule 5.2			

Name of Sub-Trust Fund	Fund balances as at 1 January 1996	Income: Contributions	Income: Other	Income: Total	Expenditures: Project costs	Expenditures: Other costs	Expenditures: Total	Refunds to donors and transfers to/ from other funds - net	Fund balances as at 31 December 1997	a/ Unspent project budget allocations	a/ Unspent project budget allocations in excess of Fund balances	a/ Contributions receivable
2. TRUST FUND FOR THE GLOBAL ENVIRONMENTAL FACILITY												
Donor: Australia												
South Pacific Biodiversity Conservation Programme	3 219	-	261	261	1 654	-	1 654	-	1 826	1 500	-	-
Donor: Charles Stewart Mott Foundation												
Strengthening and Promoting Environmental Funds	80	209	9	218	206	16	222	-	76	31	-	-
Donor: Denmark												
Municipal and Industrial Waste Project in the United Republic of Tanzania	1 423	-	130	130	-	-	-	-	1 553	1 365	-	35
	4 722	209	400	609	1 860	16	1 876	-	3 455	2 896	-	35
				schedule 5			schedule 5		schedule 5.2			
3. MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL												
Donor: Denmark and the United States of America Environmental Protection Agency												
Establishment of a CSC Recycling Centre at Zheijang Dongyang Chemical Factory	205	-	13	13	19	-	19	-	199	186	-	-
Donor: United States of America												
Global/Inter-regional Demonstration Project in Recovery Recycling of ODS in Mobile Air-conditioning	-	195	-	195	152	13	165	-	30	43	(13)	-
Donor: SIDA, Sweden												
Technology Transfer/Demonstration and Contribution to Sectoral Funding Strategy for Phasing out ODS Consumption in the Solvent Sector in China	-	404	-	404	146	1	147	-	257	854	(597)	-
	205	599	13	612	317	14	331	-	486	1 083	(610)	-
				schedule 5			schedule 5		schedule 5.2			
4. "CAPACITY 21" TRUST FUND												
Donor: Sweden and The Netherlands												
Support to Country Capacity for National Forest Action Programme	1 919	936	175	1 111	735	36	771	(141)	2 118	925	-	-
Donor: European Economic Community												
Integrated Pollution Control in Aleppo (Syrian Arab Republic) Training and Consultancy Package	-	159	-	159	-	-	-	-	159	441	(282)	233
	1 919	1 095	175	1 270	735	36	771	(141)	2 277	1 366	(282)	233
				schedule 5			schedule 5		schedule 5.2			
5. UNDP ENERGY ACCOUNT												
Donor: Resources Development Foundation												
International Energy Efficiency Training Programme	6	-	-	-	2	-	2	-	4	-	-	-
	6	-	-	-	2	-	2	-	4	-	-	-
				schedule 5			schedule 5		schedule 5.2			

Name of Sub-Trust Fund	Fund balances as at 1 January 1996	Income			Expenditure			Refunds to donors and transfers to/ from other funds - net	Fund balances as at 31 December 1997	a/ Unspent project budge allocations	a/ Unspent project budget allocations in excess of Fund balances	a/ Contributions receivable
		Contributions	Other	Total	Project costs	Other costs	Total					
FUND MANAGER - BDP/PSDP												
6. ENHANCEMENT OF PRIVATE SECTOR ROLE IN DEVELOPMENT												
Donor: Non-Governmental Organization Development of a standard Deep-well Hand Pump for use in Developing Countries	-	50	-	50	45	5	50	-	-	-	-	-
	-	50	-	50	45	5	50	-	-	-	-	-
				schedule 5			schedule 5					
FUND MANAGER - BDP												
7. UNDP/DENMARK TRUST FUND FOR CAPACITY DEVELOPMENT ASSESSMENT												
Donor: Denmark Developing Capacity for Sustainable Human Development	-	8 503	39	8 542	-	-	-	-	8 542	-	-	-
	-	8 503	39	8 542	-	-	-	-	8 542	-	-	-
				schedule 5			schedule 5					
FUND MANAGER - UNDP AFRICA												
8. UNDP TRUST FUND FOR ANGOLA												
Donor: Various Support to the Reintegration of Demobilized Soldiers	-	10 221	115	10 336	3 691	488	4 179	(5)	6 152	4 426	-	2 367
Donor: Various Vocational Training and Micro-Enterprise Promotion for Demobilized Soldiers	-	4 007	16	4 023	-	-	-	(2)	4 021	3 475	-	409
Donor: Various Support to the Development of a National Mine Clearance and Awareness Capacity	-	2 428	-	2 428	1 297	169	1 466	-	962	553	-	375
	-	16 656	131	16 787	4 988	657	5 645	(7)	11 135	8 454	-	3 127
				schedule 5			schedule 5					
9. UNDP TRUST FUND FOR RWANDA												
Donor: Japan Civic Education and Communication Programme	197	-	19	19	192	4	196	-	20	7	-	-
Donor: The Netherlands Special Window Resettlement	3 750	6 076	243	6 319	7 155	438	7 593	-	2 476	2 922	(446)	-
Support to the Screening Commissions and to the Prisons	2 898	-	152	152	2 375	58	2 433	-	617	465	-	-
Rwanda Communal Police Force, Phase III	-	1 755	-	1 755	-	52	52	-	1 703	2 410	(708)	-
Special Window for Women	-	750	-	750	-	22	22	-	728	1 069	(341)	750

Name of Sub-Trust Fund	Fund balances as at 1 January 1996	Income: Contributions	Income: Other	Income: Total	Expenditures: Project costs	Expenditures: Other costs	Expenditures: Total	Refunds to donors and transfers to/ from other funds - net	Fund balances as at 31 December 1997	a/ Unspent project budget allocations	a/ Unspent project budget allocations in excess of Fund balances	a/ Contributions receivable
Donor: Switzerland												
Support to the Judiciary Sector	394	34	20	54	169	25	194	-	254	105	-	-
Donor: Canada												
Support to the Social Integration of Young Unaccompanied and Unemployed Urban Youth	-	714	8	722	547	18	565	-	157	353	(196)	18
Donor: Finland												
Support for the Rehabilitation of the Justice System	-	230	-	230	94	14	108	-	122	58	-	-
Donor: Sweden												
Capacity Building for Arrest Procedures, Detentions and Transfers of Detainees with Communal Police of Rwanda	-	530	-	530	674	11	685	-	(155)	-	-	-
Donor: Norway												
Training Center for Drivers of Heavy Duty Cars	-	125	-	125	278	4	282	-	(157)	647	(804)	-
Donor: Italy												
Support to Health Sector at UMUTARA Prefecture	-	562	-	562	-	17	17	-	545	534	-	-
	7 239	10 776	442	11 218	11 484	663	12 147	-	6 310	8 570	(2 429)	748
				schedule 5			schedule 5		schedule 5.2			
10 UNDP TRUST FUND FOR THE UNITED NATIONS EDUCATIONAL AND TRAINING PROGRAMME FOR SOUTHERN AFRICA (UNETPSA)												
Donor: Italy												
Programme for Human Resources Development	-	1 201	-	1 201	1 615	129	1 744	-	(543)	-	-	-
	-	1 201	-	1 201	1 615	129	1 744	-	(543)	-	-	-
				schedule 5			schedule 5					
11. **UNDP TRUST FUND TO COMBAT POVERTY AND HUNGER IN AFRICA**												
Donor: Italy												
Ethiopia-Italy Programme of Rehabilitation and Development (EIPRD)	664	-	74	74	-	-	-	-	738	35	-	-
	664	-	74	74	-	-	-	-	738	35	-	-
				schedule 5			schedule 5					

Name of Sub-Trust Fund	Fund balances as at 1 January 1996	Income: Contributions	Income: Other	Income: Total	Expenditures: Project costs	Expenditures: Other costs	Expenditures: Total	Refunds to donors and transfers to / from other funds - net	Fund balances as at 31 December 1997	a/ Unspent project budget allocations	a/ Unspent project budget allocations in excess of Fund balances	a/ Contributions receivable
FUND MANAGER - ASIA/PACIFIC												
12. UNDP TRUST FUND FOR HUMANITARIAN AND REHABILITATION ASSISTANCE FOR CAMBODIA												
Donor: Sweden												
UNDP/Sweden for the Rehabilitation of Infra-structure in Cambodia	32	-	4	4	10	1	11	-	25	15	-	-
Donor: The Netherlands												
UNDP/Netherlands Trust Fund for Cambodia	(1)	-	-	-	-	-	-	1	-	-	-	-
Donor: United States of America												
UNDP/United States of America Trust Fund for Cambodia	78	-	11	11	-	-	-	-	89	-	-	-
	109	-	15	15	10	1	11	1	114	15	-	-
				schedule 5			schedule 5					
13 UNDP/LAO PEOPLE'S DEMOCRATIC REPUBLIC TRUST FUND FOR CLEARANCE OF UNEXPLODED ORDNANCE												
Donor: Norway												
Strengthening of Environmental Legislation	-	351	12	363	-	-	-	-	363	-	-	-
	-	351	12	363	-	-	-	-	363	-	-	-
				schedule 5			schedule 5					
FUND MANAGER - OSG/ERG												
14. UNDP TRUST FUND FOR SUSTAINABLE SOCIAL DEVELOPMENT, PEACE AND SUPPORT TO COUNTRIES IN SPECIAL SITUATIONS												
Donor: Italy												
Support of Sustainable Social Development, Peace and Support to Mozambique	-	20 513	636	21 149	893	81	974	-	20 175	2 020	-	-
PROGRESS Bosnia and Herzegovina Programme	-	693	24	717	679	67	746	-	(29)	15	(44)	-
Programme for the Promotion of Human Development at the Local Level in Central America	-	2 835	51	2 886	1 112	101	1 213	-	1 673	1 220	-	-
	-	24 041	711	24 752	2 684	249	2 933	-	21 819	3 255	(44)	-
				schedule 5			schedule 5					

Name of Sub-Trust Fund	Fund balances as at 1 January 1996	Income: Contributions	Income: Other	Income: Total	Expenditures: Project costs	Expenditures: Other costs	Expenditures: Total	Refunds to donors and transfers to/ from other funds - net	Fund balances as at 31 December 1997	a/ Unspent project budget allocations	a/ Unspent project budget allocations in excess of Fund balances	a/ Contributions receivable
FUND MANAGER - OA/PAPP												
15. UNDP FUND FOR THE PROGRAMME OF ASSISTANCE TO THE PALESTINIAN PEOPLE												
Donor: CIDA												
Palestinian Water Resources Action Programme	-	746	62	808	676	61	737	-	71	27	-	-
Donor: Sweden												
Rehabilitation of Small Scale Infrastructure using Labor Intensive Methods in Village Councils of the Gaza Strip	-	1 570	-	1 570	1 480	90	1 570	-	-	-	-	-
Support to the Rehabilitation of Prime Zone in the Old City of Bethlehem	-	989	9	998	191	11	202	(9)	787	2 297	(1 510)	1 316
Rehabilitation of Youth Centres in the West Bank	-	437	-	437	437	26	463	-	(26)	509	(535)	526
Development of Youth and Women Centres in Poor Areas of the Gaza Strip	-	847	-	847	626	37	663	-	184	1 338	(1 154)	1 161
UNDP/CIDA Trust Fund for Non-Formal Education: Youth Centres Project	(28)	42	11	53	(3)	(1)	(4)	-	29	3	-	-
Support to the Employment Generation Programme in Gaza	49	3 711	-	3 711	3 567	191	3 758	-	2	2	-	-
Donor: Norway												
Employment Generation in the Fields of Municipal, Youth and Public Infrastructure in the Gaza Strip	-	1 378	-	1 378	460	28	488	-	890	890	-	-
Employment Generation in the Fields of Municipal, Youth and Health Infrastructure in the Gaza Strip	-	1 407	-	1 407	460	28	488	-	919	912	-	-
	21	11 127	82	11 209	7 894	471	8 365	(9)	2 856	5 978	(3 199)	3 025
				schedule 5			schedule 5		schedule 5.2			
TOTAL SUB-TRUST FUNDS	15 860	79 658	2 246	81 904	13 268	2 302	15 570	(355)	61 839	35 746	(6 623)	8 521
				schedule 5			schedule 5					

[a] Off-balance sheet item for information purposes only.

The accompanying notes are an integral part of the financial statements.

Schedule 5.2

Selected trust funds established by the United Nations Development Programme: statement of accounts for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Trust Fund to Combat Desertification and Drought (UNSO)		Trust Fund for the Global Environmental Facility		Multilateral Fund for the Implementation of the Montreal Protocol	
	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
INCOME						
Voluntary contributions	1 990	642	110 000	115 900	66 551	89 407
Cost-sharing contributions	6 734	8 489	1 547	6 720	7	-
Sub-trust fund contributions	5 050	2 407	209	5 240	599	205
Sub total	13 774	11 538	111 756	127 860	67 157	89 612
Interest income	1 551	1 096	6 612	3 028	13 968	1 523
Reimbursable support services [a]	459	1 040	-	-	-	-
Miscellaneous income - net	(264)	(26)	(157)	177	(22)	(4)
TOTAL INCOME	15 520	13 648	118 211	131 065	81 103	91 131
EXPENDITURE						
Programme expenditure						
Regular Resources	3 382	4 239	103 729	89 450	60 834	33 944
Cost-sharing	5 674	10 571	1 013	1 192	7	-
Sub-trust funds	1 634	2 079	1 860	640	317	-
Sub total	10 690	16 889	106 602	91 282	61 158	33 944
Programme support -Implementing agents						
Regular Resources	94	83	4 733	5 014	4 074	2 162
Cost-sharing	234	455	3	19	-	-
Sub-trust funds	61	114	16	-	12	-
Sub total	389	652	4 752	5 033	4 086	2 162
Biennial support budget						
Management and administrative costs	3 615	5 639	11 175	7 100	2 219	1 054
Technical support costs	2 136	-	-	-	-	-
UNDP support costs	-	-	996	767	950	304
Reimbursable support services costs [a]	200	1 122			-	-
Sub total [b]	5 951	6 761	12 171	7 867	3 169	1 358
TOTAL EXPENDITURE	17 030	24 302	123 525	104 182	68 413	37 464
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(1 510)	(10 654)	(5 314)	26 883	12 690	53 667
Savings on prior biennium's obligations	14	42	70	36	21	-
Transfer (to) from reserves	-	-	-	-	-	-
Refunds to donors and Transfers to/from other funds - net	63	(244)	(755)	-	-	-
Fund balances, 1 January	24 389	35 245	45 218	18 299	72 169	18 502
FUND BALANCES, 31 DECEMBER	22 956	24 389	39 219	45 218	84 880	72 169

The accompanying notes are an integral part of the financial statements.

		Trust Fund to Combat Desertification and Drought (UNSO)		Trust Fund for the Global Environmental Facility		Multilateral Fund for the Implementation of the Montreal Protocol	
		1997	1995	1997	1995	1997	1995
ASSETS							
Cash		21	4	42	-	71	-
Government letters of credit		-	-	-	3 000	-	-
Investments	schedule 8	23 359	14 783	60 212	-	131 486	-
Loans to Governments		-	-	-	-	-	-
Operating funds provided to Governments		4 072	4 281	8 836	4 863	621	551
Operating funds provided to Executing agents		296	518	477	357	-	-
Due from UNDP - Regular Resources		-	4 824	-	58 421	-	90 610
Other accounts receivable and deferred charges		175	1 295	-	-	-	-
Accrued interest		289	136	847	-	2 832	-
TOTAL ASSETS		28 212	25 839	70 404	66 641	134 980	91 161
LIABILITIES							
Operating funds payable to Governments		40	392	3	31	-	-
Operating funds payable to Executing agents		-	-	11 764	10 701	-	-
Unliquidated obligations		267	607	8 639	10 691	15 607	18 992
Management service agreements	schedule 5.4	416	435	500	-		
Accounts payable		1	16	485	-	-	-
Due to UNDP - Regular Resources		4 532	-	9 806	-	34 493	-
TOTAL LIABILITIES		5 256	1 450	31 189	21 423	50 100	18 992
RESERVES AND FUND BALANCES							
Operational reserve		-	-	-	-	-	-
Unexpended Resources							
Regular Resources		11 831	17 526	29 493	34 001	84 394	71 964
Cost-sharing		6 842	5 756	6 271	6 495	-	-
Sub-trust funds	schedule 5.1	4 283	975	3 455	4 722	486	205
Sub total		22 956	24 257	39 219	45 218	84 880	72 169
Reimbursable support services [a]		-	132	-	-	-	-
Total Unexpended Resources		22 956	24 389	39 219	45 218	84 880	72 169
TOTAL RESERVES AND FUND BALANCES, 31 DECEMBER		22 956	24 389	39 219	45 218	84 880	72 169
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		28 212	25 839	70 404	66 641	134 980	91 161
UNSPENT PROJECT BUDGET ALLOCATIONS [c]		16 350	14 919	156 554	138 823	55 364	46 218
UNSPENT PROJECT BUDGET ALLOCATIONS IN EXCESS OF FUND BALANCES [c]		-	-	(117 335)	(93 605)	-	-
CONTRIBUTIONS RECEIVABLE	note 34 [c]	5 350	9 141	230	195	-	-
CONTRIBUTIONS RECEIVED: 1 JAN - 31 MARCH 1998 [c]		90	-	11	-	14 000	-
		(note 21)		(note 22)		(note 23)	

[a] Note 2 (i).

[b] UNSO: schedule 5.3.

[c] Off-balance sheet item for information purposes only (comparative amount of contributions received not provided).

The accompanying notes are an integral part of the financial statements.

	"Capacity 21" Trust Fund		UNDP Energy Account		UNDP Fund for the Programme of Assistance to the Palestinian People	
	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
INCOME						
Voluntary contributions	17 473	26 048	-	5	72 015	65 306
Cost-sharing contributions	217	210	2 196	3 431	-	-
Sub-trust fund contributions	1 095	1 996	-	32	11 127	3 202
Sub total	18 784	28 254	2 196	3 468	83 142	68 508
Interest income	7 369	1 507	682	226	3 289	1 152
Reimbursable support services [a]	-	-	-	-	-	-
Miscellaneous income - net	7	-	78	11	-	-
TOTAL INCOME	26 160	29 761	2 756	3 705	86 431	69 660
EXPENDITURE						
Programme expenditure						
Regular Resources	13 956	7 046	3 756	2 393	64 745	43 836
Cost-sharing	230	83	-	-	-	-
Sub-trust funds	735	70	2	26	7 894	2 997
Sub total	14 921	7 199	3 758	2 419	72 639	46 833
Programme support -Implementing agents						
Regular Resources	547	390	312	162	4 026	2 867
Cost-sharing	-	-	-	-	-	-
Sub-trust funds	36	6	-	-	427	173
Sub total	583	396	312	162	4 453	3 040
Biennial support budget						
Management and administrative costs	1 408	1 242	435	435	-	-
Technical support costs	-	-	-	-	-	-
UNDP support costs	245	-	-	-	726	468
Reimbursable support services costs [a]	-	-	-	-	-	-
Sub total	1 653	1 242	435	435	726	468
TOTAL EXPENDITURE	17 157	8 837	4 505	3 016	77 818	50 341
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	9 003	20 924	(1 749)	689	8 613	19 319
Savings on prior biennium's obligations	3	27	-	-	-	-
Transfer (to) from reserves	-	-	-	-	-	-
Refunds to donors and Transfers to/from other funds - net	(141)	-	102	-	(9)	-
Fund balances, 1 January	40 237	19 286	4 743	4 054	30 729	11 410
FUND BALANCES, 31 DECEMBER	49 102	40 237	3 096	4 743	39 333	30 729

The accompanying notes are an integral part of the financial statements.

		"Capacity 21" Trust Fund		UNDP Energy Account		UNDP Fund for the Programme of Assistance to the Palestinian People	
ASSETS		1997	1995	1997	1995	1997	1995
Cash		7	-	-	-	-	-
Government letters of credit		-	-	-	-	-	-
Investments	schedule 8	53 927	-	-	-	-	-
Loans to Governments		-	-	-	-	-	-
Operating funds provided to Governments		1 161	743	21	38	-	-
Operating funds provided to Executing agents		-	137	39	111	-	-
Due from UNDP - Regular Resources		-	39 862	3 841	4 676	33 424	36 410
Other accounts receivable and deferred charges	note 26(e)	-	-	-	-	6 901	-
Accrued interest		1 128	-	-	-	-	-
TOTAL ASSETS		56 223	40 741	3 901	4 825	40 325	36 410
LIABILITIES							
Operating funds payable to Governments		24	-	9	9	-	-
Operating funds payable to Executing agents		265	-	749	9	-	-
Unliquidated obligations		654	504	47	64	992	5 681
Management service agreements	schedule 5.4						
Accounts payable		-	-	-	-	-	-
Due to UNDP - Regular Resources		6 178	-	-	-	-	-
TOTAL LIABILITIES		7 121	504	805	82	992	5 681
RESERVES AND FUND BALANCES							
Operational reserve		-	-	-	-	-	-
Unexpended Resources							
Regular Resources[b]		46 711	38 191	2 874	4 737	36 477	30 708
Cost-sharing		114	127	-	-	-	-
Sub-trust funds	schedule 5.1	2 277	1 919	6	6	2 856	21
Sub total		49 102	40 237	2 870	4 743	39 333	30 729
Reimbursable support services[a]		-	-	218	-	-	-
Total Unexpended Resources		49 102	40 237	3 096	4 743	39 333	30 729
TOTAL RESERVES AND FUND BALANCES, 31 DECEMBER		49 102	40 237	3 096	4 743	39 333	30 729
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		56 223	40 741	3 901	4 825	40 325	36 410
UNSPENT PROJECT BUDGET ALLOCATIONS[c]		18 239	13 746	2 217	4 874	37 794	30 727
UNSPENT PROJECT BUDGET ALLOCATIONS IN EXCESS OF FUND BALANCES[c]		-	-	-	-	-	-
CONTRIBUTIONS RECEIVABLE	note 34[c]	598	1 959	2 514	1 316	5 218	8 489
CONTRIBUTIONS RECEIVED: 1 JAN - 31 MARCH 1998[c]		155	-	200	-	12 541	-
		(note 24)		(note 25)		(note 26)	

[a] Note 2 (i).

[b] UNDP Energy Account: regular resources include cost-sharing activities.

[c] Off-balance sheet item for information purposes only (comparative amount of contributions received not provided).

The accompanying notes are an integral part of the financial statements.

	UNDP Trust Fund for Rwanda	
	1996-1997	1994-1995
INCOME		
Voluntary contributions	44 650	13 464
Cost-sharing contributions	-	-
Sub-trust fund contributions	10 776	7 241
Sub total	55 426	20 705
Interest income	1 256	-
Reimbursable support services [a]	-	-
Miscellaneous income - net	(6)	-
TOTAL INCOME	56 676	20 705
EXPENDITURE		
Programme expenditure		
Regular Resources	17 723	3 564
Cost-sharing	-	-
Sub-trust funds	11 484	3
Sub total	29 207	3 567
Programme support -Implementing agents		
Regular Resources	628	24
Cost-sharing	-	-
Sub-trust funds	267	-
Sub total	895	24
Biennial support budget		
Management and administrative costs	-	-
Technical support costs	-	-
UNDP support costs	1 568	239
Reimbursable support services costs [a]	-	-
Sub total	1 568	239
TOTAL EXPENDITURE	31 670	3 830
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	25 006	16 875
Savings on prior biennium's obligations	-	-
Transfer (to) from reserves	-	-
Refunds to donors and Transfers to/from other funds - net	-	-
Fund balances, 1 January	16 875	-
FUND BALANCES, 31 DECEMBER	41 881	16 875

The accompanying notes are an integral part of the financial statements.

		UNDP Trust Fund for Rwanda	
		1997	1995
ASSETS			
Cash		-	-
Government letters of credit		-	-
Investments	schedule 8	-	-
Loans to Governments		-	-
Operating funds provided to Governments		6 533	218
Operating funds provided to Executing agents		-	-
Due from UNDP - Regular Resources		43 933	16 924
Other accounts receivable and deferred charges		-	-
Accrued interest		-	-
TOTAL ASSETS		50 466	17 142
LIABILITIES			
Operating funds payable to Governments		-	-
Operating funds payable to Executing agents		7 582	24
Unliquidated obligations		1 003	243
Management service agreements			
Accounts payable		-	-
Due to UNDP - Regular Resources		-	-
TOTAL LIABILITIES		8 585	267
RESERVES AND FUND BALANCES			
Operational reserve		-	-
Unexpended Resources			
Regular Resources		35 571	9 636
Cost-sharing		-	-
Sub-trust funds		6 310	7 239
Sub total		41 881	16 875
Reimbursable support services [a]		-	-
Total Unexpended Resources		41 881	16 875
TOTAL RESERVES AND FUND BALANCES, 31 DECEMBER		41 881	16 875
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		50 466	17 142
UNSPENT PROJECT BUDGET ALLOCATIONS [b]		23 524	4 639
UNSPENT PROJECT BUDGET ALLOCATIONS IN EXCESS OF FUND BALANCES [b]		-	-
CONTRIBUTIONS RECEIVABLE	note 34 [b]	4 959	-
CONTRIBUTIONS RECEIVED: 1 JAN - 31 MARCH 1998 [b]		-	-
		(note 27)	

[a] Note 2 (i).

[b] Off-balance sheet item for information purposes only (comparative amount of contributions received not provided).

The accompanying notes are an integral part of the financial statements.

Schedule 5.3

Trust funds established by the United Nations Development Programme: biennial support budget for the biennium ended 31 December 1997

(Thousands of United States dollars)

Trust Fund	Revised appropriation 1996 - 1997	1996-1997 Expenditure			Unencumbered balance 31 December 1997	Expenditure 1994-1995 a/
		Disbursements	Unliquidated obligations	Total		
Trust Fund to Combat Desertification and Drought						
Management and administrative costs	4 418	3 597	18	3 615	803	5 639
Technical support costs	2 613	2 125	11	2 136	477	-
	7 031	5 722	29	5 751	1 280	5 639
Reimbursable support services costs	-	-	-	200	-	1 122
	7 031	5 722	29	5 951	1 280	6 761
Total				schedule 5.2		schedule 5.2

[a] Prior biennium's figures not restated to accord with budget harmonization.

The accompanying notes are an integral part of the financial statements.

Schedule 5.4

Status of bilateral and other resources received under management service agreements

(Thousands of United States dollars)

Source of funding	Recipient country	Balance as at 1 January 1996	Income received a/	Cost of services b/ Disbursements	Unliquidated obligations	Total	Transfers/ Refunds	Unencumbered balance as at 31 December 1997
Executed by United Nations Office for Project Services								
UNSO								
Australia	Eastern and Southern Africa	(95)	525	115	-	115	-	315
Sweden	Burkina Faso	173	14			-	(86)	101
Sweden	Niger	220	-	-	-	-	(220)	-
Sweden	Senegal	137	-	(27)	-	(27)	(164)	-
		435	539	88	-	88	(470)	416
								schedule 5.2
GEF								
World Bank	Regional - Europe	-	500	-	-	-	-	500
								schedule 5.3
UNDP TRUST FUND FOR AFRICA 2000 NETWORK								
Japan	Regional - Africa	307	-	-	-	-	-	307
Total		742	1 039	88	-	88	(470)	1 223
								statement II.3

a These amounts represent advances received from donors in accordance with management service agreements entered into by these trust funds for the provision of bilateral and other programmes.

b These amounts represent the cost of services provided by the trust funds in accordance with management service agreements.

The accompanying notes are an integral part of the financial statements.

Schedule 6

Reimbursable support services and miscellaneous activities

Income and expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Management Service Agreements		Junior Professional Officers Programme		Reserve for Field Accommodation		Reimbursable Support Services		Special Activities		Total Reimbursable Services and Miscellaneous Activities	
	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
INCOME												
Contributions	318 251	270 726	56 675	47 510	-	-	-	-	3 000	-	375 088	327 236
Interest income	13 149	7 570	-		-	-	6 000	-	-	-	19 149	7 570
Other income - net	-		-	-	9 383	9 617	121 713	80 808	-	-	140 814	98 022
TOTAL INCOME	331 400	278 296	56 675	47 510	9 383	9 617	127 713	80 808	3 000	-	535 171	432 826
EXPENDITURE												
Programme	319 869	286 081	47 439	41 409	-	-	-	-	-	-	367 308	327 490
Programme support - implementing agency	-		8 676	6 905	-	-	-	-	-	-	8 676	6 905
Programme support to Resident Coordinator	-		-	-	-	-	-	-	6 190	-	6 190	
Biennial support budget	-		-	-	6 836 a/	6 105	106 818	86 216	1 498	-	115 348	92 319
TOTAL EXPENDITURE	319 869	286 081	56 115	48 314	6 836	6 105	106 818	86 216	7 688	-	497 322	426 716
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	11 531	12 215	560	916	2 547	3 512	20 895	(5 408)	(4 688)	-	37 849	6 110
Write off and provisions/recovery	-		-		(16 189)	-	-	-	-	-	(16 189)	
NET INCOME (SHORTFALL) OF INCOME OVER EXPENDITURE	11 531	12 215	560	916	(13 642)	3 512	20 895	(5 408)	(4 688)	-	21 660	6 110
Savings on prior biennium's obligations	-		-	-	13	-	948	884	3	-	968	884
Transfer to reserves												
Transfer from reserves												
Refunds to Donors and Transfers to/from other funds - net	(1 339)		-		-	-	390	1 963	2 000	-	2 163	1 963
Fund balance, 1 January	75 184	73 961	6 978	6 062	6 630	1 083	68 369 a/	36 136	-	-	156 906 b/	117 262
FUND BALANCE, 31 DECEMBER	85 376	86 176	7 538	6 978	(6 199)	4 595	90 602 a/	41 384 a/	1 315	-	181 638	126 219 b/
	schedule 6.1		schedule 6.2		schedule 6.3		schedule 6.4		schedule 6.5		statement I.3	

[a] RFA: refers to repairs and maintenance costs; see schedule 6.3.

[b] Note 11 and statement IV.1.

The accompanying notes are an integral part of the financial statements.

Assets, liabilities and reserves and fund balances at 31 December

(Thousands of United States dollars)

	Management Service Agreements		Junior Professional Officers Programme		Reserve for Field Accommodation		Reimbursable Support Services		Special Activities		Total Reimbursable Services and Miscellaneous Activities	
	1997	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997	1996
ASSETS												
Cash	-	-	-	-	-	-	3 600	3 963	-	-	3 600	3 963
Accounts receivable and deferred charges				0								
Due from UNDP-Regular resources	160 343	136 194	8 338	6 978	-	-	89 338	52 312	1 300	-	363 317	193 484
Due from RFA to UNDP Regular resources												-
Agency reimbursement of construction costs												-
Other accounts receivable and deferred charges	-	-	636	656	87	-	330	154	-	-	1 961	810
Accrued interest												
Long-term accounts receivable	-	-	-	-	1 137	-	-	-	-	-	1 137	-
Loans to Governments	-	-	-	-	1 836	2 799	-	-	-	-	1 836	2 799
Construction costs	-	-	-	-	44 888	46 653	-	-	-	-	44 888	46 653
Capitalized Rehabilitation	-	-	-	-	4 721	5 177	-	-	-	-	4 721	5 177
Household Appliance Rental Scheme	-	-	-	-	309	333	-	-	-	-	309	333
Allowance for write down	-	-	-	-	(11 834)	-	-	-	-	-	(11 834)	-
TOTAL ASSETS	160 343	136 194	8 966	7 634	41 893	54 762	93 868	56 429	1 300	-	306 671	252 995
LIABILITIES												
Unliquidated obligations	78 727	59 010	636	656	30	102	3 340	2 360	45	-	82 778	62 128
Accounts payable note 19	-	-	-	-	-	-	10 434	12 795	-	-	10 434	12 795
Due to UNDP-Regular resources by RFA	-	-	-	-	17 691	21 407	-	-	-	-	17 691	21 407
Government advances for housing disposal	-	-	-	-	918	-	-	-	-	-	918	-
Agency reimbursement of construction costs	-	-	-	-	3 651	3 651	-	-	-	-	3 651	3 651
Reserve for transitional measures	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for budgeted separations	-	-	-	-	-	-	-	-	-	-	-	-
Deferred rental income	-	-	-	-	156	107	-	-	-	-	156	107
Other liabilities												-
TOTAL LIABILITIES	78 727	59 010	636	656	33 346	25 267	13 773	15 155	45	-	115 616	100 088
RESERVES AND FUND BALANCES												
Operational reserve	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for Field Accommodation-authorized level	-	-	-	-	25 000	25 000	-	-	-	-	25 000	25 000
Reserve for Field Accommodation-cumulative surplus (deficit)	-	-	-	-	-	-	-	-	-	-	-	-
Unexpended Resources	81 616	75 184	8 330	6 978	(6 154)	4 495	81 393	41 254	1 163	-	166 288	127 911
TOTAL RESERVES AND FUND BALANCES	81 616	75 184	8 330	6 978	18 846	29 495	81 393	41 254	1 163	-	191 288	152 911
TOTAL LIABILITIES AND RESERVES AND FUND BALANCES	160 343	136 194	8 966	7 634	41 893	54 762	93 868	56 429	1 300	-	306 671	252 995
	schedule 6.1		schedule 6.2		schedule 6.3		schedule 6.4		schedule 6.5		statement II.2	

The accompanying notes are an integral part of the financial statements.

Schedule 6.1

Management service agreements – status of bilateral and other resources received under management service agreements for the biennium ended 31 December 1997

(Thousands of United States dollars)

			Income received[a]		Cost of services[b]				
Source of funding	*Recipient country*	*Balance as at 1 January 1996*	*Deposits*	*Interest earnings*	*Disburse-ments*	*Unliquidated obligations*	*Total cost*	*Transfers to (from)*	*Unencumbered balance as at 31 December 1997*
Netherlands	Afghanistan	—	733	—	—	—	—	—	733
Italy	Albania	—	906	—	—	—	—	—	906
EEC	Albania	90	—	12	(9)	22	13	—	89
IADB	Argentina	3 626	2 165	265	3 595	2 066	5 661	—	395
World Bank	Argentina	6 756	5 010	668	5 334	3 896	9 230	(456)	2 748
Government (World Bank)	Argentina	5 356	454	474	2 672	354	3 026	82	3 340
Japan	Benin	273	2 589	89	2 309	446	2 755	—	196
Government	Bhutan	(3)	—	—	—	—	—	—	(3)
World Bank	Bolivia	473	16	61	104	—	104		446
USAID	Bolivia	1	—	0	—	—	—	—	1
Government (World Bank)	Bolivia	9	—	0	—	—	—	—	9
Germany	Bolivia	61	—	7	—	—	—	—	68
Government	Bolivia	0	—	—	—	—	—	—	—
Japan	Bolivia	122	—	3	125	—	125	—	—
Multiple	Bolivia	13	—	2	—	—	—	—	15
IADB	Bolivia	58	1 121	15	1 156	—	1 156	—	38
Italy	Bosnia and Herzegovina	—	4 651	—	823	989	1 812	—	2 839
SICA	Bosnia and Herzegovina	—	984	45	983	—	983	—	46
Japan	Burkina Faso	510	4 375	250	2 538	1 295	3 833	—	1 302
United States of America	Cambodia	12	—	1	—	—	—	—	13
Japan	Cambodia	611	1 800	70	2 402	35	2 437	—	44
Japan	Cameroon	58	—	—	—	—	—	—	58
Japan	Central African Republic	25	4 640	283	3 586	1 217	4 803	—	145
Italy	Central America	(8)	—	19	85	—	85	—	(74)
Italy	Chad	52	—	6	—	—	—	—	58
Italy	Colombia	(19)	19	—	—	—	—	—	—
Government	Congo	93	—	7	57	—	57	—	43
USAID	Costa Rica	12	—	1	—	—	—	—	13
World Bank	Costa Rica	30	—	2	—	—	—	—	32
Japan	Côte d'Ivoire	3 226	22 661	612	25 127	1 205	26 332	—	167
Italy	Cuba	48	—	5	—	—	—	—	53

Source of funding	Recipient country	Balance as at 1 January 1996	Income received[a]		Cost of services[b]			Transfers to (from)	Unencumbered balance as at 31 December 1997
			Deposits	Interest earnings	Disbursements	Unliquidated obligations	Total cost		
Japan	Djibouti	—	2 507	24	—	—	—	—	2 531
Government	Djibouti	190	—	22	(5)	—	(5)	—	217
World Bank	Djibouti	25	—	3	—	—	—	—	28
Government	Dominican Republic	81	(68)	7	—	—	—	—	20
IFAD	Democratic People's Republic of Korea	—	1 550	1	1 553	—	1 553	—	(2)
World Bank	Ecuador	5 445	8 922	845	7 634	561	8 195	(706)	6 311
Government (World Bank)	Ecuador	1 332	549	87	1 964	187	2 151	614	431
Netherlands	Egypt	10	—	1	—	—	—	—	11
Italy	Egypt	104	—	12	—	—	—	—	116
IFAD-MSA	El Salvador	(454)	3 649	20	2 732	212	2 944	—	271
Italy	El Salvador	971	(200)	153	9	57	66	—	858
Japan	El Salvador	746	3 876	111	4 734	—	4 734	—	(1)
USAID	Eritrea	(3)	1 350	51	643	13	656	—	742
Italy	Ethiopia	213	6 190	109	2 272	1 407	3 679	—	2 833
World Bank	Ethiopia	39	—	6	24	5	29	—	16
Italy	Global	224	367	30	600	30	630	—	(9)
World Bank	Guatemala	90	92	15	113	7	120	—	77
IFAD	Guatemala	212	90	15	192	—	192	—	125
IADB	Guatemala		823	—	51	96	147	—	676
Netherlands	Guatemala	99	—	12	—	—	—	—	111
Japan	Guinea	3 506	4 976	485	7 102	1 700	8 802	—	165
Italy	Guinea	5	—	1	—	—	—	—	6
World Bank	Haiti	—	2 000	—	—	—	—	—	2 000
Switzerland	Haiti	—	—	—	4	—	4	—	(4)
Canada	Haiti	4	72	1	74	—	74	—	3
World Bank	Honduras	122	(122)	7	—	—	—	—	7
Japan	Honduras	—	21 562	568	15 352	6 207	21 559	—	571
World Bank	Indonesia	—	—	—	—	—	—	—	—
IFAD-MSA	Indonesia	138	588	19	511	—	511	—	234
Norway	Interregional	1 134	624	96	972	210	1 182	—	672
Sweden	Interregional	530	1 800	74	895	329	1 224	—	1 180
Italy	Interregional	20	—	2	—	—	—	—	22
Denmark	Interregional	699	6 204	252	2 777	1 022	3 799	68	3 424
Government	Iraq	—	—	—	—	—	—	—	—
Norway	Kyrgyzstan	—	503	—	19	20	39	—	464
Government	Kyrgyzstan	1							1
Denmark	Kyrgyzstan	(26)	876	26	845	—	845	—	31

Source of funding	Recipient country	Balance as at 1 January 1996	Income received[a]		Cost of services[b]			Transfers to (from)	Unencumbered balance as at 31 December 1997
			Deposits	Interest earnings	Disbursements	Unliquidated obligations	Total cost		
Australia	Lao People's Democratic Republic	29	—	3	—	—	—	—	32
Japan	Madagascar	1 313	8 440	263	3 892	6 369	10 261	—	(245)[c]
Japan	Mali	72	17 661	328	12 933	297	13 230	—	4 831
World Bank	Mali	73	—	1	68	—	68	—	6
Japan	Mauritania	1 364	12 370	389	4 011	9 352	13 363	—	760
Government	Mexico	2	—	—	—	—	—	—	2
Japan	Mongolia	144	99	12	256	—	256	—	(1)
Netherlands	Mongolia	(2)	—	—	(2)	—	(2)	—	—
Netherlands	Mongolia	4	—	—	—	—	—	—	4
Denmark	Mongolia	—	(1)	1	—	—	—	—	—
World Bank	Mongolia	218	—	19	38	—	38	—	199
Japan	Nicaragua	(1 968)	19 617	491	9 102	5 229	14 331	—	3 809
Japan	Niger	4 433	—	437	4 566	166	4 732	—	138
World Bank	Pakistan	—	(1)	—	—	—	—	—	(1)
Italy	Palestine	6 026	999	725	1 615	3	1 618	—	6 132
Finland	Palestine	—	—	—	1 463	6	1 469	—	(1 469)
SICA	Palestine	—	1 000	44	184	82	266	—	778
World Bank	Papua New Guinea	(381)	1 593	31	949	43	992	—	251
Australia	Papua New Guinea	8	—	1	—	—	—	—	9
World Bank	Peru	—	980	9	767	17	784	—	205
Japan	Peru	14 040	4 749	678	18 519	402	18 921	—	546
Government	Peru	602	62 710	73	29 919	20 052	49 971	—	13 414
IADB	Peru	(2 581)	15 953	624	10 726	1 707	12 433	(773)	790
Government	Peru	—	229	—	215	10	225	—	4
Australia	Philippines	404	731	36	513	35	548	—	623
Denmark	Philippines	442	(424)	50	—	—	—	(68)	—
France	Regional - Africa	441	630	68	213	57	270	—	869
Sweden	Regional - Africa	9	—	5	(1)	—	(1)	—	15
Italy	Regional - Asia	—	—	—	—	—		—	—
Finland	Regional - Asia	180	—	18	158	—	158	—	40
Joint	Regional - Europe	129	—	7	—	—	—	—	136
Italy	Regional - Latin America	98	—	11	1	—	1	—	108
IADB	Regional - Latin America	(358)	2 914	33	1 954	—	1 954	—	635
World Bank	Latvia	22	—	3	—	—	—	—	25
Japan	Sao Tome and Principe	22	—	3	24	—	24	—	1
Japan	Senegal	—	12 239	295	11 623	505	12 128	—	406
CEC	Somalia	199	25	16	(23)	—	(23)	—	263

Source of funding	Recipient country	Balance as at 1 January 1996	Income received[a]		Cost of services[b]			Transfers to (from)	Unencumbered balance as at 31 December 1997
			Deposits	Interest earnings	Disbursements	Unliquidated obligations	Total cost		
Japan	Somalia	1 963	—	230	—	—	—	—	2 193
IFAD-MSA	Somalia	(22)	1 217	55	698	303	1 001	—	249
World Bank	Saint Kitts and Nevis	250	—	32	9	—	9	—	273
Italy	Sudan	1 190	(186)	134	—	—	—	—	1 138
Finland	Thailand	216	—	36	77	—	77	—	175
Japan	Togo	—	4 265	109	203	3 284	3 487	—	887
United States of America	Trust Territory of the Pacific Islands	3	—	1	—	—	—	—	4
World Bank	Turkey	4 676	19 468	463	19 255	2 492	21 747	—	2 860
Government	Turkey	—	356	—	—	3 410	3 410	—	(3 054)
United States of America	Turkey	515	—	58	—	—	—	—	573
World Bank	Uganda	1 188	2 452	98	3 388	218	3 606	—	132
Sweden	Uganda	(4)	—	2	(4)	—	(4)	—	2
Government	Uganda	640	264	16	795	72	867	—	53
Government	United Republic of Tanzania	56	565	16	427	147	574	—	63
World Bank	United Republic of Tanzania	350	(4)	19	18	—	18	—	347
IADB	Venezuela	—	860	—	42	670	712	—	148
Australia	Viet Nam	170	284	19	—	—	—	—	473
World Bank	Yemen	—	—	—	—	—	—	—	—
Japan	Zaire	791	—	151	(778)	—	(778)	—	1 720
CEC	Zaire	—	1 148	—	305	88	393	—	755
Australia	Zimbabwe	901	1 245	81	1 050	123	1 173	—	1 054
	Total UNDP MSAs	74 809	315 351	12 147	241 122	78 727	319 849	(1 239)	81 219
Executed by other Agents									
Czechoslovakia	Interregional	375	—	22	—	—	—	—	397
Grand total		75 184	315 351	12 169	241 122	78 727	319 849	(1 239)	81 616

Schedule 6 Schedule 6

[a] These amounts represent advances received from donors and interest earned, in accordance with Management service agreements entered into by UNDP for the provision of bilateral and other programmes.

[b] These amounts represent the cost of services provided by UNDP in accordance with Management service agreements.

[c] Amount of $4,056,087 for Madagascar projects was received in February 1998.

The accompanying notes are an integral part of the financial statements.

Schedule 6.2

Junior Professional Officers programme: status of fund for the biennium ended 31 December 1997

(Thousands of United States dollars)

Sources of financing	Balance as 1 January 1996	Receipts	Disbursements	Support costs	Total Disbursements	Balance as at 31 December 1997	
Governments							
Australia	175	94	159	19	178	91	
Austria	(407)	1 843	1 424	171	1 595	(159)	a/
Belgium	2 757	4 088	4 452	519	4 971	1 874	
Canada	(856)	1 138	882	105	987	(705)	
Denmark	1 440	13 182	10 511	1 261	11 772	2 850	
Finland	633	1 719	1 183	142	1 325	1 027	
France	222	2 638	2 370	284	2 654	206	
Germany	1 266	3 632	3 699	444	4 143	755	
Italy	(74)	1 528	1 405	168	1 573	(119)	
Japan	458	6 044	3 715	445	4 160	2 342	
Luxembourg	(91)	714	679	81	760	(137)	a/
Netherlands	629	7 104	6 762	812	7 574	159	
Norway	455	2 439	2 760	331	3 091	(197)	
Portugal	(10)	430	405	49	454	(34)	a/
Rep of Korea		474	197	24	221	253	
Spain	(521)	2 616	2 359	283	2 642	(547)	
Sweden	370	2 101	2 035	245	2 280	191	
Switzerland	475	2 123	1 896	228	2 124	474	
United Kingdom	57	568	546	65	611	14	
Total	6 978	54 475	47 439	5 676	53 115	8 338	

schedule 6

[a] At 25 March 1998, the following amounts were received: Austria, $100,371; Luxembourg, $263,939; and Portugal, $88,761.

The accompanying notes are an integral part of the financial statements.

Schedule 6.3

Reserve for Field Accommodation

Income and expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Housing a/		Office Premises a/		RPA's Reimbursable Support Services		Total	
	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
INCOME								
Rental income	6 199	9 136	1 278	-	-	-	7 477	9 136
Gain (loss) on foreign exchange	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Other income - net	171	-	-	-	655	381	826	381
TOTAL INCOME	6 370	9 136	1 278	-	655	381	8 303	9 517
EXPENDITURE								
Repairs and maintenance	3 310	5 652	471	-	-	-	3 781	5 652
Other	456	95	-	-	599	358	1 055	453
TOTAL EXPENDITURE	3 766	5 747	471	-	599	358	4 836	6 105
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	2 604	3 389	807	-	56	23	3 467	3 412
Write off and provisions/recovery	(8 129)	-	(6 000)	-	-	-	(14 129)	-
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(5 525)	3 389	(5 193)	-	56	23	(10 662)	3 412
Savings on prior biennium's obligations	-	-	-	-	13	-	13	-
Transfer to reserves	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-
Fund balances, 1 January	2 073	825	2 141	-	281	258	4 695	1 083
FUND BALANCES, 31 DECEMBER	(3 452)	4 214	(3 052)	-	350	281	(6 154)	4 495

schedule 6

Assets, liabilities and reserves and fund balances at 31 December

(Thousands of United States dollars)

	Housing a/		Office Premises a/		RFM's Reimbursable Support Services		Total	
	1997	1995	1997	1995	1997	1995	1997	1995
ASSETS								
Accounts receivable and deferred charges								
Due from Regular Resources	-	-	-	-	-	-	-	-
Other accounts receivable and deferred charges	87	-	-	-	-	-	87	-
Long-term accounts receivable	1 127	-	-	-	-	-	1 127	-
Loans to Governments	1 824	2 799	-	-	-	-	1 824	2 799
Construction costs	18 111	46 453	26 447	-	-	-	44 558	46 453
Capitalized Rehabilitation	4 721	5 177	-	-	-	-	4 721	5 177
Household Appliance Rental Scheme	309	333	-	-	-	-	309	333
Allowance for write down	(5 534)	-	(6 000)	-	-	-	(11 534)	-
TOTAL ASSETS	20 645	54 762	20 447	-	-	-	41 092	54 762
LIABILITIES								
Unliquidated obligations	-	-	-	-	30	102	30	102
Accounts payable							-	-
Due to Regular Resources	(1 977)	21 790	19 848	-	(380)	(383)	17 491	21 407
Government advances for housing disposal	918	-	-	-	-	-	918	-
Agency reimbursement of construction costs	-	3 651	3 651	-	-	-	3 651	3 651
Deferred rental income	156	107	-	-	-	-	156	107
TOTAL LIABILITIES	(903)	25 548	23 499	-	(350)	(281)	22 246	25 267
Reserve for Field Accommodation-authorized level	25 000	25 000	-	-	-	-	25 000	25 000
Reserve for Field Accommodation-cumulative surplus (deficit)	(3 452)	4 214	(3 052)	-	350	281	(6 154)	4 495
TOTAL LIABILITIES AND FUND BALANCES	20 645	54 762	20 447	-	-	-	41 092	54 762

schedule 4

[a] This statement shows the split between office premises and housing for the biennium 1996–1997 only because of difficulties in reconstructing prior period figures as recognized in document ACC/1995/FB/R.31; the 1994–1995 comparatives are being shown only under housing.

The accompanying notes are an integral part of the financial statements.

Schedule 6.4

Reimbursable support services

Income and expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Reimbursable support services related to non-UNDP activities		Reimbursable support services financed by other resources		Reimbursable support services related to Programme Activities		Reimbursable support services provided by IAPSO		Total Reimbursable support services	
	1996-1997	1994-1995	1996-1997		1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
INCOME										
Contributions	527			5 488					6 088	
Interest income	28 643	26 173		97 438		56 876	5 681	5 256	221 713	88 505
Other income - net										
	29 170	26 173		102 926		56 876	5 681	5 256	227 753	88 505
TOTAL INCOME										
EXPENDITURES										
Programme support - Agencies				72 326		54 681	4 779	3 302	166 838	66 214
Programme support to Resident Coordinator	28 650	27 551							28 650	27 551
Biennial support budget	28 650	27 551		72 326		54 681	4 779	3 302	195 488	93 765
							902	1 954	902	1 954
TOTAL EXPENDITURES	28 650	27 551		72 326		54 681	5 681	5 256	196 390	95 719
NET INCOME (SHORTFALL) OF INCOME OVER EXPENDITURES	520	(1 378)		30 600		2 195			31 363	92 786
Savings on prior biennium's obligations	946	495		377		280	26	19	649	1 963
Transfers (to) from reserves	-	-		306		1 963	-	-	306	26 136
Transfers (to) from other funds	8 903	9 615		37 673 a/		26 140	1 674	381	48 249 a/	
Fund balances, 1 January	9 369	1 302		68 956		30 578 a/	1 674	1 674	81 379	41 334 a/
FUND BALANCES, 31 DECEMBER	1 318	9 369		68 956		30 578 a/	1 674	1 674	81 379	81 379 a/

a/ Note 11 and statement IV.2.

Assets, liabilities and reserves and fund balances at 31 December

(Thousands of United States dollars)

	Reimbursable Support Services related to non UNDP Activities		Reimbursable Support Services related to Programme Activities financed by Other Resources		Reimbursable Support Services provided by IAPSO		Total Reimbursable Support Services	
	1997	1996	1997	1996	1997	1996	1997	1996
ASSETS								
Cash	-	-	-	-	3 400	3 943	3 400	3 943
Accounts receivable and deferred charges	10 840	9 557	72 869	32 361	10 229	10 396	93 938	52 313
Due from Regular Resources	-	-	-	-	330	154	330	154
Other accounts receivable and deferred charges	-	-	-	-	-	-	-	-
Long-term Accounts Receivable	-	-	-	-	-	-	-	-
Loans to Governments	-	-	-	-	-	-	-	-
Construction costs	-	-	-	-	-	-	-	-
Capitalized Rehabilitation	-	-	-	-	-	-	-	-
Household Appliance Rental Scheme	-	-	-	-	-	-	-	-
Allowance for write down	-	-	-	-	-	-	-	-
TOTAL ASSETS	10 840	9 557	72 869	32 361	13 959	14 493	98 668	56 409
LIABILITIES								
Unliquidated obligations	282	655	3 037	1 683	39	22	3 360	2 360
Accounts payable	-	-	-	-	10 434	12 795	10 434	13 788
Due to Regular Resources	-	-	-	-	-	-	-	-
Agency reimbursement of construction costs	-	-	-	-	-	-	-	-
Deferred rent income	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	282	655	3 037	1 683	10 473	12 817	13 772	15 155
Unexpended Resources	9 758	8 902	69 832	30 678	3 513	1 674	81 283	41 254
TOTAL LIABILITIES AND FUND BALANCES	10 840	9 557	72 869	32 361	13 959	14 491	98 664	56 409

Schedule 6

The accompanying notes are an integral part of the financial statements.

Schedule 6.5

Special activities

Income and expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Support to UN Resident Coordinator		Unified Coding System		Other		Total Special Activities	
	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
INCOME								
Contributions	1 943	-	996	-	922	-	3 859	-
Interest income	-	-	-	-	-	-	-	-
Other income - net	-	-	-	-	-	-	-	-
TOTAL INCOME	1 943	-	996	-	922	-	3 859	-
EXPENDITURE								
Programme	-	-	-	-	-	-	-	-
Programme support - Agencies	-	-	-	-	-	-	-	-
Programme support to Resident Coordinator	4 190	-	-	-	-	-	4 190	-
Biennial support budget	-	-	788	-	707	-	1 495	-
TOTAL EXPENDITURE	4 190	-	788	-	707	-	5 685	-
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(2 247)	-	206	-	215	-	(1 826)	-
Savings on prior biennium's obligations	2	-	-	-	1	-	3	-
Transfer to reserves	2 586	-	400	-	-	-	2 986	-
Transfer from reserves	-	-	-	-	-	-	-	-
Refunds to Donors and Transfers to/from other funds - net	-	-	-	-	-	-	-	-
Fund balances, 1 January	-	-	-	-	-	-	-	-
FUND BALANCES, 31 DECEMBER	341	-	606	-	216	-	1 163	-

Schedule 6

Assets, liabilities and fund balances as at 31 December

(Thousands of United States dollars)

	Support to UN Resident Coordinator		Unified Coding system		Other		Total Special Activities	
	1997	1995	1997	1995	1997	1995	1997	1995
ASSETS								
Cash	-	-	-	-	-	-	-	-
Accounts receivable and deferred charges	356	-	606	-	268	-	1 208	-
Due from Regular Resources								
TOTAL ASSETS	356	-	606	-	268	-	1 208	-
LIABILITIES								
Unliquidated obligations	13	-	-	-	52	-	65	-
TOTAL LIABILITIES	13	-	-	-	52	-	65	-
Unexpended Resources	341	-	606	-	216	-	1 143	-
TOTAL LIABILITIES AND FUND BALANCES	356	-	606	-	268	-	1 208	-

schedule 6

The accompanying notes are an integral part of the financial statements.

Schedule 6.6

Inter-Agency Procurement Service Office: income and expenditure and fund balance for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Trading Activities 1994-1997
INCOME	
Procurement handling fees	4 987
Insurance income	330
Training fees	133
Sales of publications	77
Miscellaneous income	354
TOTAL INCOME	5 651
EXPENDITURE	
Salaries	1 730
Other management and administrative costs	3 101
TOTAL EXPENDITURE	4 831
NET EXCESS OF INCOME OVER EXPENDITURE	820
Savings on prior biennium's obligations	26
Fund balance, 1 January	1 674
FUND BALANCE, 31 DECEMBER	2 520

schedule 6.6

This statement contains the figures for the current biennium only because of difficulties in reconstructing prior period figures, as recognized in document ACC/1995/FB/R.31.

The accompanying notes are an integral part of the financial statements.

Schedule 7

Funds established by the General Assembly and administered by the United Nations Development Programme: statement of accounts for the biennium ended 31 December 1997

(Thousands of United States dollars)

	United Nations Capital Development Fund		United Nations Revolving Fund for Natural Resources Exploration		United Nations Fund for Science and Technology for Development	
	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
INCOME						
Voluntary contributions	68 632	63 902	1 472	2 632	178	183
Cost-sharing contributions	342	305	-	-	44	-
Sub-trust fund contributions	259	5 847	-	-	-	-
Sub total	69 233	70 054	1 472	2 632	222	183
Interest income	14 090	11 659	326	99	104	129
Reimbursable support services a	3 994	2 512	-	-	-	22
Miscellaneous income - net	(350)	(215)	6	63	(8)	17
TOTAL INCOME	86 967	84 010	1 804	2 794	318	351
EXPENDITURE						
Programme expenditure						
Regular Resources	76 827	82 738	654	458	157	193
Cost-sharing	270	314	-	-	6	138
Sub-trust funds	1 774	3 764	32	8	86	159
Sub total	78 871	86 816	686	466	249	490
Programme support -Implementing agents						
Regular Resources	1 658	2 529	-	-	11	11
Cost-sharing	-	7	-	-	1	11
Sub-trust funds	139	155	-	-	(1)	21
Sub total	1 797	2 691	-	-	11	43
Biennial support budget schedule 7.2						
Management and administrative costs	4 031	8 782	764	895	-	358
Technical support costs	7 339	1 749	372	491	-	-
UNDP support costs	-	-	-	-	-	-
Reimbursable support services costs a	3 741	2 538	-	-	-	71
Sub total	15 111	13 069	1 136	1 386	-	429
TOTAL EXPENDITURE	95 779	102 576	1 822	1 852	260	962
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(8 812)	(18 566)	(18)	942	58	(611)
Savings on prior biennium's obligations	32	9	-	7	-	-
Transfer (to) from reserves	(4 800)	15 700	-	-	-	-
Refunds to donors and Transfers to/from other funds - net	-	-	(6)	-	(3)	(70)
Fund balances, 1 January	80 202	83 059	3 167	2 218	1 125	1 806
FUND BALANCES, 31 DECEMBER	66 622	80 202	3 143	3 167	1 180	1 125

The accompanying notes are an integral part of the financial statements.

		United Nations Capital Development Fund		United Nations Revolving Fund for Natural Resources Exploration		United Nations Fund for Science and Technology for Development	
		1997	1995	1997	1995	1997	1995
ASSETS							
Cash		589	422	14	130	41	61
Government letters of credit		-	-	-	-	-	-
Investments	schedule 8	125 232	106 574	3 379	1 003	860	976
Loans to Governments		[b] 5 637	9 672	-	522	-	-
Operating funds provided to Governments		-	-	-	-	168	202
Operating funds provided to Executing agents		700	1 590	-	-	12	10
Due from UNDP - Regular Resources		-	10 487	-	1 512	-	-
Other accounts receivable and deferred charges		1 275	2 562	-	-	174	158
Accrued interest		3 001	1 421	47	10	10	4
TOTAL ASSETS		136 434	132 718	3 440	3 177	1 265	1 411
LIABILITIES							
Operating funds payable to Governments		-	-	-	-	32	36
Operating funds payable to Executing agents		3 552	1 282	-	-	1	19
Unliquidated obligations		6 678	11 034	36	10	30	15
Accounts payable		-	-	-	-	-	-
Due to UNDP - Regular Resources		14 582	-	261	-	22	216
Other liabilities	schedule 7.3	-	-	-	-	-	-
TOTAL LIABILITIES		24 812	12 316	297	10	85	286
RESERVES AND FUND BALANCES							
Operational reserve		45 000	40 200	-	-	-	-
Unexpended Resources							
Regular Resources		61 578	74 022	3 111	3 102	792	677
Cost-sharing		200	128	-	-	27	34
Sub-trust funds	schedule 7.1	1 630	3 091	32	65	351	404
Sub total		63 408	77 241	3 143	3 167	1 170	1 115
Reimbursable support services [a]		3 214	2 961	-	-	10	10
Total Unexpended Resources		66 622	80 202	3 143	3 167	1 180	1 125
TOTAL RESERVES AND FUND BALANCES, 31 DECEMBER		111 622	120 402	3 143	3 167	1 180	1 125
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		136 434	132 718	3 440	3 177	1 265	1 411
UNSPENT PROJECT BUDGET ALLOCATIONS [b]		22 214	25 973	358	385	422	681
UNSPENT PROJECT BUDGET ALLOCATIONS IN EXCESS OF FUND BALANCES [b]		-	-	-	-	-	-
CONTRIBUTIONS RECEIVABLE	note 34 [b]	3 034	6 267	1 063	49	784	827
CONTRIBUTIONS RECEIVED: 1 JAN - 31 MARCH 1998 [b]		6 820	-	1 000	-	3	-
		(note 29)		(note 30)		(note 31)	

[a] Note 2 (i).

[b] Off-balance sheet item for information purposes only (comparative amount of contributions received not provided).

The accompanying notes are an integral part of the financial statements.

	United Nations Development Fund for Women		United Nations Volunteers Programme		TOTAL FUNDS	
	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
INCOME						
Voluntary contributions	25 291	24 650	7 900	3 434	103 473	95 001
Cost-sharing contributions	7 150	5 732	252	-	7 788	6 037
Sub-trust fund contributions	2 185	2 711	18 659	16 145	21 103	24 703
Sub total	34 626	33 293	26 811	19 579	132 364	125 741
Interest income	623	487	4 390	2 707	19 533	15 081
Reimbursable support services [a]	910	493	12 757	2 193	17 661	5 220
Miscellaneous income - net	(134)	583	7 694	9 305	7 208	9 753
TOTAL INCOME	36 025	34 856	51 652	33 784	176 766	155 795
EXPENDITURE						
Programme expenditure						
Regular Resources	14 322	22 714	8 078	11 253	100 038	117 356
Cost-sharing	5 374	5 256	82	-	5 732	5 708
Sub-trust funds	1 656	2 045	14 695	10 114	18 243	16 090
Sub total	21 352	30 015	22 855	21 367	124 013	139 154
Programme support -Implementing agents						
Regular Resources	(8)	233	-	-	1 661	2 773
Cost-sharing	389	81	8	-	398	99
Sub-trust funds	177	237	1 850	781	2 165	1 194
Sub total	558	551	1 858	781	4 224	4 066
Biennial support budget schedule 7.2						
Management and administrative costs	2 387	5 598	-	-	7 182	15 633
Technical support costs	3 778	1 165	-	-	11 489	3 405
UNDP support costs	-	-	-	-	-	-
Reimbursable support services costs [a]	241	305	11 744	2 064	15 726	4 978
Sub total	6 406	7 068	11 744	2 064	34 397	24 016
TOTAL EXPENDITURE	28 316	37 634	36 457	24 212	162 634	167 236
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	7 709	(2 778)	15 195	9 572	14 132	(11 441)
Savings on prior biennium's obligations	65	33	-	-	97	49
Transfer (to) from reserves	(3 500)	5 100	-	-	(8 300)	20 800
Refunds to donors and Transfers to/from other funds - net	-	-	(29)	-	(38)	(70)
Fund balances, 1 January	8 013	5 658	28 513	18 941	121 020	111 682
FUND BALANCES, 31 DECEMBER	12 287	8 013	43 679	28 513	126 911	121 020

overview

The accompanying notes are an integral part of the financial statements.

		United Nations Development Fund for Women		United Nations Volunteers Programme		TOTAL FUNDS	
		1997	1995	1997	1995	1997	1995
ASSETS							
Cash		848	4	-	9	1 492	626
Government letters of credit		-	-	-	-	-	-
Investments	schedule 8	14 507	526	37 179	27 887	181 157	136 966
Loans to Governments		-	-	-	-	5 637	10 194
Operating funds provided to Governments		1 690	2 279	-	-	1 858	2 481
Operating funds provided to Executing agents		528	282	-	-	1 240	1 882
Due from UNDP - Regular Resources		-	5 557	11 052	4 982	11 052	22 538
Other accounts receivable and deferred charges		-	30	2 692	1 336	4 141	4 086
Accrued interest		236	9	560	411	3 856	1 865
TOTAL ASSETS		17 809	8 687	51 483	34 625	210 431	180 618
LIABILITIES							
Operating funds payable to Governments		97	21	-	-	129	57
Operating funds payable to Executing agents		207	41	-	-	3 760	1 342
Unliquidated obligations		1 184	605	16	206	7 944	11 870
Accounts payable		57	7	2 397	1 620	2 454	1 627
Due to UNDP - Regular Resources		677	-	-	-	15 342	216
Other liabilities	schedule 7.3	-	-	5 391	4 286	5 391	4 286
TOTAL LIABILITIES		2 022	674	7 804	6 112	35 020	19 398
RESERVES AND FUND BALANCES							
Operational reserve		3 500	-	-	-	48 500	40 200
Unexpended Resources						-	-
Regular Resources		5 768	4 101	23 482	12 876	94 731	94 778
Cost-sharing		3 505	2 119	162	-	3 894	2 281
Sub-trust funds	schedule 7.1	2 159	1 607	16 800	13 415	20 972	18 582
Sub total		11 432	7 827	40 444	26 291	119 597	115 641
Reimbursable support services[a]		855	186	3 235	2 222	7 314	5 379
Total Unexpended Resources		12 287	8 013	43 679	28 513	126 911	121 020
TOTAL RESERVES AND FUND BALANCES, 31 DECEMBER		15 787	8 013	43 679	28 513	175 411	161 220
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		17 809	8 687	51 483	34 625	210 431	180 618
UNSPENT PROJECT BUDGET ALLOCATIONS [b]		15 335	20 730	23 326	19 722	61 655	67 491
UNSPENT PROJECT BUDGET ALLOCATIONS IN EXCESS OF FUND BALANCES [b]		(3 903)	(12 903)	-	-	(3 903)	(12 903)
CONTRIBUTIONS RECEIVABLE	note 34b	6 984	2 051	1 153	1 532	13 018	10 726
CONTRIBUTIONS RECEIVED: 1 JAN - 31 MARCH 1998 [b]		7 310	-	1 525	-	16 658	-
		(note 32)		(note 33)		overview	

[a] Note 2 (i).

[b] Off-balance sheet item for information purposes only (comparative amount of contributions received not provided).

The accompanying notes are an integral part of the financial statements.

Schedule 7.1

Status of sub-trust funds of the funds established by the General Assembly and administered by the United Nations Development Programme: schedule of income, expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

Name of Sub-Trust Fund	Fund balances as at 1 January 1996	Income: Contributions	Income: Other	Income: Total	Expenditures: Project costs	Expenditures: Other costs	Expenditures: Total	Refunds to donors and transfers to/ from other funds - net	Fund balances as at 31 December 1997	a/ Unspent project budget allocations	a/ Unspent project budget allocations in excess of Fund balances	a/ Contributions receivable
FUND MANAGER - UNCDF												
1 UNITED NATIONS CAPITAL DEVELOPMENT FUND												
Donor: Belgium												
Irrigated Agriculture in Farfar Plain	104	-	22	22	-	-	-	-	126	-	-	-
Amenagement et Gestion des Terroirs de la Plaine Seno - Gondo	1 566	-	116	116	726	51	777	-	905	-	-	1 358
Donor: Norway												
Production of School Furniture	44	-	5	5	-	-	-	-	49	-	-	-
Environmental Guidelines Conference	3	-	-	-	-	-	-	-	3	-	-	-
Donor: Switzerland												
Suspension Bridges (Phase II)	119	-	14	14	-	-	-	-	133	-	-	-
Suspension Bridges (Phase III)	303	25 v	20	279	428	-	428	-	154	22	-	441
Donor: Netherlands												
Grameen Deep Tubewell Irrigation Project	652	-	11	11	525	83	608	-	55	42	-	406
Wholesale Fruit and Vegetable Market in Al Huseinieh	100	-	5	5	95	5	100	-	5	-	-	385
	3 091	259	193	452	1 774	139	1 913	-	1 430	64	-	2 590
									schedule 7			
FUND MANAGER - EDP												
2 UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION												
Donor: Japan												
Mineral Exploration in SADCC Region	59	-	5	5	32	-	32	-	32	18	-	-
Donor: Norway												
UNRFNRE Environmental Protection Guidelines	6	-	-	-	-	-	-	(6)	-	-	-	-
	65	-	5	5	32	-	32	(6)	32	18	-	-
									schedule 7			
3 UNITED NATIONS FUND FOR SCIENCE AND TECHNOLOGY FOR DEVELOPMENT												
Donor: France												
Strengthening Management of Technology Capacity at the School of Management Asian Institute of Technology (AIT)	38	-	4	4	1	-	1	-	41	-	-	-
Donor: Germany												
Policy Dialogues for Strengthening Endogenous Capacities in Science and Technology	16	-	1	1	(14)	(1)	(15)	-	32	31	-	2
Donor: Italy												
Regional Non-destructive Testing Network for Latin America and the Caribbean (Phase II)	10	-	2	2	-	-	-	-	12	-	-	-

Name of Sub-Trust Fund	Fund balances as at 1 January 1996	Income			Expenditures			Refunds to donors and transfers to/ from other funds - net	Fund balances as at 31 December 1997	a/ Unspent project budget allocations	a/ Unspent project budget allocations in excess of Fund balances	a/ Contributions receivable
		Contributions	Other	Total	Project costs	Other costs	Total					
Development of National Scientific and Technological Capacity in Natural Resources Remote Sensing through Aerial and Satellite Photo Interpretation	46	-	4	4	-	-	-	-	48	-	-	-
Reconnaissance and Exploration for Geothermal Resources	10	-	2	2	-	-	-	-	12	-	-	-
Application of Technologies Appropriate for Rural Areas (Phase II)	27	-	(6)	(6)	-	-	-	-	21	-	-	51
Establishment of the Beijing National Food Technology and Quality Control Research Development Centre	239	-	23	23	99	-	99	-	163	-	-	-
Donor: Norway												
Strengthening the Computer Education and Computing Capability at the Asian Institute of Technology (AIT)	30	-	2	2	-	-	-	-	32	-	-	-
	404	-	13	13	86	(1)	85	-	331	31	-	71
									schedule 7			
FUND MANAGER - UNIFEM												
4 UNITED NATIONS DEVELOPMENT FUND FOR WOMEN												
Donor: EEC												
Post Beijing follow-up in Western Asia	-	288	(1)	287	301	-	301	14	-	18	(18)	30
Women's Economic Empowerment in Syria	-	46	-	46	-	-	-	-	46	153	(107)	106
Assistance Programme for Women's Empowerment in Lebanon Reproductive Health and Economic Empowerment	-	-	-	-	-	-	-	-	-	484	(484)	484
Political Empowerment of Somali Women NGOs	-	-	-	-	-	-	-	-	-	463	(463)	464
Donor: Denmark												
Credit Scheme for Productive Activities of Women in the United Republic of Tanzania	1 072	-	128	128	161	31	192	-	1 018	267	-	-
Donor: Japan												
Contribution to the Centre for Social Development and Humanitarian Affairs	146	-	24	24	-	-	-	-	170	-	-	-
Donor: Japan, Denmark, Republic of Korea												
Trust Fund for the Elimination of Violence against Women	-	1 290	3	1 293	677	94	771	-	522	1 936	(1 414)	1 417
Donor: Netherlands												
African Women for Conflict Resolution and Peace (Phase I)	181	116	5	121	378	49	427	-	75	199	(124)	126
Beijing Conference Preparations in Anglophone West Africa	28	15	1	16	49	-	49	5	-	-	-	-
Donor: Sweden												
Women, Environment and Development	65	-	11	11	46	6	52	-	24	24	-	-
United Nations Consolidated Inter-Agency Appeal for Persons Affected by the Crisis in Rwanda	23	-	5	5	13	2	15	-	13	14	(1)	-
Improving Statistics on Gender Issues	92	-	5	5	31	5	36	-	61	60	-	-
Capacity-Building Support for Women's Peace Activities in Burundi	-	230	-	230	-	-	-	-	230	486	(256)	-
	1 607	2 185	181	2 366	1 636	177	1 813	19	2 159	4 094	(2 867)	2 627
									schedule 7			

Name of Sub-Trust Fund	Fund balances as at 1 January 1996	Income			Expenditures			Refunds to donors and transfers to/ from other funds - net	Fund balances as at 31 December 1997	a/ Unspent project budget allocations	a/ Unspent project budget allocations in excess of Fund balances	a/ Contributions receivable
		Contributions	Other	Total	Project costs	Other costs	Total					
FUND MANAGER - UNV												
5. UNITED NATIONS VOLUNTEERS PROGRAMME												
Donor: Argentina												
White Helmets Initiative	889	1 100	79	1 179	1 370	127	1 397	-	671	671	-	-
Donor: Belgium												
Technical Assistance to the Centre for Human Rights in Cambodia	160	-	16	16	67	4	71	-	105	97	-	-
Women and Peace Initiatives in the Philippines	89	-	9	9	55	4	59	-	39	35	-	-
UNV Multi-sectoral Assistance to Angola	-	1 020	130	1 150	1 079	108	1 187	-	1 963	1 813	-	-
Donor: Canada												
UNV Specialists to Support UNHCR Humanitarian Assistance Activities	2	-	1	1	-	-	-	-	3	-	-	-
Donor: France												
Government of France Support for the Development of Volunteerism	1 113	361	110	471	759	53	812	-	772	766	-	-
White Helmets Initiative	-	136	-	136	-	-	-	-	136	136	-	-
Donor: Germany												
Community Oriented Development Programme Strengthening and Capacity	290	-	12	12	218	29	247	-	55	33	-	-
White Helmets Initiative	192	-	7	7	108	11	119	-	80	80	-	-
Africa Domestic Development Services Programme	697	-	-	-	616	80	696	-	1	-	-	-
Assistance to Repatriation and Rehabilitation Programme through a National UNV Scheme	-	826	-	826	101	10	111	-	715	715	-	-
Donor: Ireland												
Support to UNISTAR Multi-sectoral Support to Entrepreneurs and Small to Medium Scale Enterprise Development	-	50	-	50	6	1	7	-	43	43	-	-
Donor: Italy												
Italian National Participation in UNV Programme Activities	-	580	-	580	-	-	-	-	580	-	-	-
Donor: Japan												
Multi-sectoral Specialist Support in the South Pacific	90	-	8	8	63	3	66	-	32	-	-	-
UNV Multi-sectoral Technical Support for Development and Humanitarian Assistance	43	-	5	5	14	-	14	(13)	21	-	-	-
UNV Multi-sectoral Technical Support for Development and Humanitarian Assistance (Phase II)	18	-	2	2	6	-	6	(14)	-	-	-	-
UNV Multi-sectoral Technical Support for Development and Humanitarian Assistance (Phase III)	70	-	8	8	11	1	12	-	66	-	-	-
Technical Support to UNHCR and other United Nations agencies in Humanitarian Assistance for Cambodia	34	-	4	4	1	-	1	(13)	24	-	-	-
UNV Technical Support to Relief and Humanitarian Assistance in South-East Asia and other areas (Phase I)	-	-	-	-	(2)	-	(2)	-	2	2	-	-

Name of Sub-Trust Fund	Fund balances as at 1 January 1996	Income			Expenditure			Refunds to donors and transfers to/ from other funds - net	Fund balances as at 31 December 1997	a/ Unspent project budget allocations	a/ Unspent project budget allocations in excess of Fund balances	a/ Contributions receivable
		Contributions	Other	Total	Project costs	Other costs	Total					
UNV Preparatory Assistance to UNTAC for Elections in Cambodia	45	-	5	5	21	1	22	(18)	13	-	-	-
United Nations 100-Day Action Programme for Accelerated Humanitarian Assistance for Somalia	455	-	49	49	330	22	352	-	152	23	-	-
UNV Technical Support to Relief and Humanitarian Assistance in South-East Asia and other areas (Phase II)	1	-	3	3	6	-	6	-	-	-	-	-
Assistance to Development of Basic Education in Northwestern Provinces, Cambodia	90	-	9	9	47	3	50	-	49	18	-	-
Support to UNV Humanitarian Relief, Rehabilitation and Repatriation Activities	303	-	33	33	222	14	236	-	100	87	-	-
United Nations Consolidated Inter-Agency Appeal for Support to UNV Humanitarian Relief to Rwanda	45	-	7	7	27	1	28	-	24	15	-	-
Sustainable Development of Small Island States in the Caribbean	44	-	4	4	36	2	38	-	10	5	-	-
UNV Technical Assistance in Support of Human Rights Activities in Central America	193	-	18	18	130	9	139	-	72	54	-	-
UNV Multi-sectoral Assistance to Island Countries in Asia and Pacific	254	-	25	25	258	17	275	-	4	-	-	-
Japanese support to Enhancement of Security of United Nations Volunteer Specialists	449	-	51	51	166	10	176	-	324	300	-	-
UNISTAR Multi-sectoral Technical Support for Entrepreneurship and Small and Medium-scale Enterprise Development	21	-	5	5	8	-	8	-	18	10	-	-
Support for Human Relief	2 500	-	129	129	1 129	113	1 242	-	1 387	1 259	-	-
UNV Multi-sectoral Support to Humanitarian Emergency, Peace Building, Peace Keeping Rehabilitation and Reconstruction Activities	592	-	60	60	430	28	458	-	196	127	-	-
Development of Basic Education in Northwestern Provinces through the Strengthening of Community Temple Learning Centres	162	-	16	16	138	9	147	-	31	15	-	-
UNV/Japan Trust Fund for Multi-sectoral Support for Humanitarian Assistance	-	3 000	27	3 027	590	58	648	-	2 379	2 351	-	-
Multi-Sectoral Support for Humanitarian Assistance, Peace Keeping Operations, Rehabilitation Activities and Sustainable Human Development	-	3 000	-	3 000	-	-	-	-	3 000	-	-	-
Promotion of UNV in Japan	-	-	-	-	-	-	-	56	56	56	-	-
Donor: Norway Somalia Appeal	6	-	1	1	-	-	-	-	7	2	-	-
Support for United Nations Volunteers Sub-Regional Programme for South Asia for Consultancy on Popular Culture Development – NORAD	20	-	2	2	11	-	11	-	11	9	-	-
Donor: Republic of Korea Republic of Korea Trust Fund for UNVs and Training	379	325	41	366	167	11	178	-	567	387	-	-
Donor: Spain Support for Volunteer Contribution to Development	727	864	32	896	1 476	147	1 623	-	-	-	-	-

Name of Sub-Trust Fund	Fund balances as at 1 January 1996	Income			Expenditures			Refunds to donors and transfers to/ from other funds - net	Fund balances as at 31 December 1997	a/ Unspent project budget allocations	a/ Unspent project budget allocations in excess of Fund balances	a/ Contributions receivable
		Contributions	Other	Total	Project costs	Other costs	Total					
Donor: Sweden												
Humanitarian Assistance in the Gulf Region	21	-	2	2	-	-	-	-	23	18	-	-
UNV Specialists for Humanitarian Relief in the Horn of Africa	38	-	4	4	4	-	4	-	38	38	-	-
UNV Support to UNHCR Programmes in Central America	(7)	-	1	1	(4)	1	(3)	-	(1)	-	-	-
Programme Drought Emergency Southern Africa (DESA)	55	-	6	6	1	-	1	-	60	44	-	-
United Nations Consolidated Inter-Agency Appeal for Persons Affected by the Crisis in Rwanda	-	-	1	1	(7)	(1)	(8)	-	9	8	-	-
United Nations Consolidated Inter-Agency Appeal for Support to UNV Activities in Rwanda	29	-	4	4	29	2	31	-	2	2	-	-
UNV Programme in Eritrea within the Sepha Appeal 199	229	-	24	24	153	10	163	-	90	67	-	-
Support to UNV in Rwanda	-	276	-	276	41	5	46	-	228	228	-	-
Donor: Switzerland												
Domestic Development Services (DDS)	96	-	10	10	(1)	-	(1)	-	105	88	-	-
Regional Programme in Asia	143	-	15	15	264	17	281	-	97	55	-	-
Peace Building and Peacekeeping Trust Fund	-	148	-	148	95	10	105	-	43	43	-	-
UNV Support to Local Resettlement of Demobilised Combatants in Mozambique	563	-	64	64	319	20	339	-	288	196	-	-
Donor: Netherlands												
Netherlands Facility for UNV Support from Central Europe to Developing Countries	43	-	7	7	46	3	49	-	1	-	-	-
Netherlands Support for UNV/Domestic Development Services	29	-	3	3	-	-	-	(29)	1	-	-	-
Inter-Agency Humanitarian Programme for Iraq/Kuwait	159	-	18	18	26	2	28	-	149	106	-	-
Deployment of UNV Specialists to Support United Nations Humanitarian Assistance Activities in Somalia	120	-	6	6	239	16	255	-	(129)	48	(177)	-
West-East South Programme Lecturers at the Eduardo Mondlane University	58	-	-		-	-	-	-	58	-	-	-
Mozambique University												
Special Emergency Programme for the Horn of Africa (EEPHA) Appeal - 1993	13	-	1	1	5	-	5	-	11	-	-	-
SNV Support to the UNV Programme in the Lao People's Democratic Republic (SUNV)	565	-	60	60	257	17	274	-	351	772	(421)	-
Netherlands Facility for UNV Support from Central Europe to Developing Countries	772	756	73	829	647	42	689	-	912	902	-	-
Netherlands Support to UNV DDS for Poverty Eradication	-	1 567	29	1 596	1 130	109	1 239	-	357	1 160	(803)	-
Interim Appeal for Burundi	-	73	-	73	10	1	11	-	62	62	-	-
Donor: United Kingdom												
United Kingdom/Liberian Emergency Relief Trust Fund	9	-	2	2	-	-	-	-	11	1	-	-
Low Income Urban Community Participatory Primary Environmental Care Project	(33)	39	-	39	5	-	5	-	1	-	-	-

Name of Sub-Trust Fund	Fund balances as at 1 January 1996	Income			Expenditure			Refunds to donors and transfers to/ from other funds - net	Fund balances as at 31 December 1997	a/ Unspent project budget allocations	a/ Unspent project budget allocations in excess of Fund balances	a/ Contributions receivable
		Contributions	Other	Total	Project costs	Other costs	Total					
Interim Appeal for Burundi	23	-	5	5	2	-	2	-	26	-	-	-
United Nations Inter-Agency Appeal for Emergency Assistance for Water and Sanitation Projects in Yemen	89	-	7	7	83	5	88	-	8	7	-	-
Emergency Humanitarian Assistance Programme for Rwanda	-	-	2	2	-	-	-	-	2	1	-	-
Inter-Agency Appeal for Rwanda	33	-	-	-	44	3	47	-	(14)	-	-	-
Donor: United Nations Humanitarian Economic Assistance Programme to Afghanistan	59	-	7	7	55	7	62	-	4	51	(47)	840
UNV Support to United Nations Inter-Agency Humanitarian Programme in Iraq	78	-	8	8	-	-	-	-	86	72	-	-
Donors: United Nations/Sweden/Canada Youth Partners in Agreement	54	-	2	2	22	-	22	-	34	-	-	-
Donor: United States of America United Nations Volunteers for Service with UNHCR and WFP	5	-	-	-	(4)	-	(4)	-	9	-	-	-
Inter-Agency Humanitarian Programme for Iraq	(1)	-	-	-	(1)	-	(1)	-	-	-	-	-
Donor: Italy United Nations International Short-Term Advisory Resources	-	689	6	695	331	26	357	-	338	267	-	-
Donor: Austria UNV/Organization for Security and Cooperation in Europe (OSCE) Trust Fund for Logistical Assistance to Elections in Bosnia and Herzegovina	-	92	-	92	42	44	86	-	6	-	-	-
UNV/OSCE Trust Fund for Supervisory Assistance to Elections in Bosnia and Herzegovina	-	1 189	-	1 189	557	385	942	(240)	7	-	-	-
UNV Trust Fund between the Organization for Security and Cooperation in Europe (OSCE) to Assist with the Supervision of Elections in Bosnia and Herzegovina	-	-	-	-	190	83	273	218	(55)	-	-	-
UNV Trust Fund between the Organization for Security and Cooperation in Europe (OSCE) to Assist with the Supervision of Elections in Bosnia and Herzegovina	-	-	-	-	-	38	38	22	(16)	-	-	-
UNV Trust Fund between the Organization for Security and Cooperation in Europe (OSCE) to Assist with the Supervision of Elections in Bosnia and Herzegovina	-	570	-	570	528	121	649	-	(79)	-	-	-
UNV Trust Fund between the Organization for Security and Cooperation in Europe (OSCE) to Assist with the Supervision of Elections in Bosnia and Herzegovina	-	-	-	-	23	8	31	-	(31)	19	(50)	-
	13 415	18 659	1 259	19 918	16 695	1 850	18 545	(281)	16 809 schedule 7	13 296	(3 488)	840
TOTAL SUB-TRUST FUNDS	18 582	21 193	1 710	22 811	18 243	2 165	20 408	(151)	20 972 schedule 7	17 693	(6 163)	6 110

a/ Off-balance sheet item for information purposes only.

The accompanying notes are an integral part of the financial statements.

Schedule 7.2

Funds established by the General Assembly and administered by the United Nations Development Programme: biennial support budget for the biennium ended 31 December 1997

(Thousands of United States dollars)

Funds	Revised appropriation 1996 - 1997	1996-1997 Expenditure			Unencumbered balance 31 December 1997	Expenditure 1994-1995 a/
		Disbursements	Unliquidated obligations	Total		
United Nations Capital Development Fund						
Management and administrative costs	4 135	3 935	96	4 031	104	8 782
Technical support costs	7 529	7 310	29	7 339	190	1 749
	11 664	11 245	125	11 370	294	10 531
Reimbursable support services costs	-	-	-	3 741	-	2 538
Total	11 664	11 245	125	15 111 schedule 7	294	13 069 schedule 7
United Nations Revolving Fund for Natural Resources Exploration						
Management and administrative costs	1 147	749	15	764	383	895
Technical support costs	571	372	-	372	199	491
	1 718	1 121	15	1 136	582	1 386
Reimbursable support services costs	-	-	-	-	-	-
Total	1 718	1 121	15	1 136 schedule 7	582	1 386 schedule 7
United Nations Fund for Science and Technology for Development						
Management and administrative costs	-	-	-	-	-	358
Technical support costs	-	-	-	-	-	-
	-	-	-	-	-	358
Reimbursable support services costs	-	-	-	-	-	71
Total	-	-	-	- schedule 7	-	429 schedule 7

Funds	Revised appropriation 1996 - 1997	1996-1997 Expenditure			Unencumbered balance 31 December 1997	Expenditure 1994-1995 a/
		Disbursements	Unliquidated obligations	Total		
United Nations Development Fund for Women						
Management and administrative costs	2 540	2 343	44	2 387	153	5 598
Technical support costs	4 021	3 772	6	3 778	243	1 165
	6 561	6 115	50	6 165	396	6 763
Reimbursable support services costs	-	-	-	241	-	305
Total	6 561	6 115	50	6 406	396	7 068
				schedule 7		schedule 7

[a] Prior biennium's figures have not been restated to accord with budget harmonization.

The accompanying notes are an integral part of the financial statements.

Schedule 7.3

United Nations Volunteers programme: summary of projects financed by donor Governments and institutions

(Thousands of United States dollars)

Donors	Projects	Balance as at 1 January 1996	Contributions	Expenditure: Project costs	Expenditure: Other costs	Balance as at 31 December 1997
Governments						
Australia	INT/92/V15	(33)	74	85	-	(44)
Austria	INT/92/V16	34	102	103	-	33
Belgium	INT/92/V12	3 015	1 653	2 441	-	2 227
Cambodia	CMB/96/V01	-	85	82	-	3
Denmark	INT/96/V01	-	52	32	-	20
Finland	INT/92/V11	222	1 823	748	-	1 297
Germany	INT/93/V02	(15)	129	142	-	(28)
Ireland	INT/92/V14	334	209	370	-	173
Mali	MLI/96/V01	-	29	4	-	25
Netherlands	INT/92/V13	(28)	400	551	-	(179)
Norway	CMB/95/V01	66	-	31	-	35
	INT/93/V21	172	92	146	-	118
Rwanda	RWA/96/V04	-	-	38	-	(38)
Spain	GLO/97/V44	-	1 639	32	-	1 607
	INT/92/V18	(9)	258	249	-	-
	RWA/96/V03	-	200	-	-	200
Sweden	CMB/93/V03	-	-	-	-	-
	INT/92/V09	(277)	751	426	51	(3)
Switzerland	INT/92/V08	(64)	147	63	-	20
United States of America	GLO/96/V02	4	-	-	-	4
Institutions						
ADB	GUI/93/V02	(19)	-	28	-	(47)
AMIDA	INT/96/V06	-	36	18	-	18
AID Deutschland	CRO/97/V01		30	1		29
AsDB	KYR/96/V01	-	19	39		(20) a/
	MAS/92/V01	(63)	31	0		(32) a/
	MAS/94/V01	(1)		3		(4) a/
	MON/93/V02	5	14	11		8
	PNG/95/V01	-		2		(2)
ASTRO	YUG/90/V01	(9)	9	-	-	-
DANIDA	MON/97/V01	-	27	16	-	11
Eritrea International School	ERI/95/V03	(3)	31	31	-	(3)
IBRD	MOZ/92/V03	6	26	13	-	19
	MOZ/92/V04	(52)	-	4	-	(56)

Donors	Projects	Balance as at 1 January 1996	Contributions	Expenditure: Project costs	Expenditure: Other costs	Balance as at 31 December 1997
Institutions						
IDA	ANG/94/V01	47	-	123	-	(76)
	BEN/89/V01	(36)	-	73	-	(109)
	CHD/91/V01	2	-	-	-	2
	EQG/91/V01	(116)	-	-	-	(116)
	GHA/93/V02	(65)	66	4	-	(3)
	GHA/93/V03	(26)	148	127	-	(5)
	GHA/93/V04	(20)	50	24	-	6
	HAI/86/V01	(20)	-	-	-	(20)
	NER/87/V01	91	106	156	-	41
	NER/95/V01	123	81	166	-	38
IFAD	GAB/94/V01	69	121	119	-	71
	MLI/95/V04	15	50	8	-	57
	NER/94/V01	27	56	50	-	33
IITA	MLW/93/V01	2	-	3	-	(1)
IRH	ANG/95/V02	106	605	691	45	(25)
	GLO/94/V01	-	5	4	-	1
	HAI/95/V01	112	(101)	4	-	7
	MOZ/94/V03	74	(72)	-	-	2
	RWA/95/V02	5	130	124	11	-
IRRI	NAG/95/V01	7	18	28	-	(3)
JOCV Japan	INT/92/V20	102	1 020	1 145	-	(23)
JVC	INT/96/V04	-	38	-	-	38
MS (Denmark)	INT/92/V17	37	-	190	-	(153)
SIDA (Botswana)	BOT/92/V01	491	-	337	-	154
SVA	INT/96/V05	-	88	38	-	50
UNICEF	HAI/97/V02	-	108	48	-	60
VSO (United Kingdom)	INT/92/V19	(26)	135	135	-	(26)
Grand total		4 286	10 508	9 296	107	5 391

schedule 7

[a] At 31 March 1998, the following amounts were received from AsDB: KYR/96/V01, $28,000; MAS/92/V01, $21,200; and MAS/94/V01, $15,095

The accompanying notes are an integral part of the financial statements

Schedule 8

Investments at 31 December

(Thousands of United States dollars)

		1997	1996
Regular Resources			
Interest-bearing accounts		4 344	7 722
Call accounts		6 482	2 859
Time deposits		869 871	1 242 997
Bonds and notes		522 711	200 376
Other securities		12 462	97 574
Total	statement II.1	1 415 870	1 551 528
Other Resources			
Trust Funds			
Trust Fund to Combat Desertification and Drought (UNSO)			
Interest-bearing current accounts		1	1
Call accounts		160	2
Time deposits		21 200	14 780
Bonds and notes		1 998	-
Total	schedule 5.2	23 359	14 783
Trust Fund for the Global Environmental Facility			
Call accounts		77	-
Time deposits		25 100	-
Bonds and notes		35 035	-
Total	schedule 5.2	60 212	-
Multilateral Fund for the Implementation of the Montreal Protocol			
Call accounts		50	-
Time deposits		24 400	-
Bonds and notes		107 006	-
Total	schedule 5.2	131 456	-
"Capacity 21" Trust Fund			
Time deposits		14 620	-
Bonds and notes		39 307	-
Total	schedule 5.2	53 927	-

	1997	1995
Fonds Fiduciaire du PNUD Concernant l'Organisation pour l'harmonisation en Afrique du Droit des Affaires (OHADA TF)		
Time deposits	934	-
Total	934	-
Trust Fund for Environmental Conservation in Bhutan		
Time deposits	-	8 585
Bonds and notes	-	3 004
Total	-	11 589
Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries		
Call accounts	126	2
Time deposits	-	2 605
Bonds and notes	6 135	4 054
Total	6 261	6 661
UNDP Trust Fund for the Nationhood Programme of the Fund for Namibia		
Time deposits	-	520
Total	-	520
Total Trust Funds	276 149	33 553

statement II.2

		1997	1996
Funds			
United Nations Capital Development Fund			
Interest-bearing accounts		9	6
Call accounts		200	2
Time deposits		25 720	66 042
Bonds and notes		89 728	30 524
Other securities		9 575	10 000
Total	schedule 7	125 232	106 574
United Nations Revolving Fund for Natural Resources Exploration			
Call accounts		79	3
Time deposits		3 300	1 000
Total	schedule 7	3 379	1 003
United Nations Fund for Science and Technology for Development			
Call accounts		-	1
Time deposits		860	975
Total	schedule 7	860	976
United Nations Development Fund for Women			
Call accounts		162	1
Time deposits		14 345	525
Bonds and notes		-	-
Total	schedule 7	14 507	526
United Nations Volunteers programme			
Interest-bearing current accounts		64	6
Call accounts		275	1
Time deposits		24 250	27 880
Bonds and notes		12 590	-
Total	schedule 7	37 179	27 887
Total Funds		181 157	136 966

overview

The accompanying notes are an integral part of the financial statements.

Notes to the financial statements

Note 1
Mission statement

The United Nations Development Programme (UNDP) is part of the United Nations and upholds the vision of the Charter of the United Nations. It is committed to the principle that development is inseparable from the quest for peace and human security and that the United Nations must be a strong force for development as well as peace.

The UNDP mission is to help countries in their efforts to achieve sustainable human development by assisting them to build their capacity to design and carry out development programmes in poverty eradication, employment creation and sustainable livelihoods, the empowerment of women and the protection and regeneration of the environment, giving first priority to poverty eradication.

UNDP also acts to help the United Nations family to become a unified and powerful force for sustainable human development and works to strengthen international cooperation for sustainable human development.

UNDP, at the request of Governments and in support of its areas of focus, assists in building capacity for good governance, popular participation, private and public sector development and growth with equity, stressing that national plans and priorities constitute the only viable frame of reference for the national programming of operational activities for development within the United Nations system.

UNDP resident representatives normally serve as resident coordinators of the operational activities of the United Nations system, supporting, at the request of Governments, the coordination of development and humanitarian assistance. Resident coordinators also help to orchestrate the full intellectual and technical resources of the United Nations system in support of national development.

UNDP strives to be an effective development partner for the United Nations relief agencies, working to sustain livelihoods while they seek to sustain lives. It acts to help countries to prepare for, avoid and manage complex emergencies and disasters.

UNDP draws on expertise from around the world, including from developing countries, United Nations specialized agencies, civil society organizations and research institutes.

UNDP supports South-South cooperation by actively promoting the exchange of experience among developing countries.

UNDP supports, within its areas of focus, technology transfer, adaptation, and access to the most effective technology.

UNDP receives voluntary contributions from nearly every country in the world. UNDP seeks to ensure a predictable flow of resources to support its programmes. It provides grant funds through criteria based on universality that strongly favours low-income countries, particularly the least developed.

UNDP is politically neutral and its cooperation is impartial. It seeks to conduct its work in a manner transparent and accountable to all its stakeholders.

UNDP is committed to a process of continuing self-evaluation and reform. It aims to improve its own efficiency and effectiveness to assist the United Nations system in becoming a stronger force for the benefit of the people and countries of the world.

UNDP will continue to support an international development cooperation framework that responds to changing global, regional and national circumstances.

Note 2
Summary of significant accounting policies

The financial period of the organization is biennial. The present biennium covers the period of 1 January 1996 to 31 December 1997. The financial statements reflect the application of the following significant accounting policies:

(a) Framework

UNDP activities are accounted for in accordance with:

(i) The Financial Regulations formulated by its Executive Board and the Rules established by the Administrator under the above regulations;

(ii) The United Nations System Accounting Standards as adopted by the Administrative Committee on Coordination which are based to a large extent on relevant International Accounting Standards promulgated by the International Accounting Standards Committee. Where differences from the International Accounting Standards exist, it is mainly because of the essentially non-commercial nature of the Organization's activities. These standards are based on the following principles and assumptions:

a. Going concern, consistency and accrual are fundamental accounting assumptions. Where fundamental accounting assumptions are followed in financial statements, disclosure of such assumptions is not required. If these fundamental accounting assumptions are not followed, that fact should be disclosed together with the reasons;

b. Prudence, substance over form and materiality should govern the selection and application of accounting policies;

c. Financial statements should include clear and concise disclosure of all significant accounting policies that have been used;

d. The disclosure of the significant accounting policies used is an integral part of the financial statements;

e. Unusual items or prior period items should be disclosed if they have a material effect on the financial statements or schedules;

f. If there is a change in accounting policy that has a material effect in the current period, or may have a material effect in subsequent periods, the effect of such change should be disclosed and quantified, together with the reason for the change.

(b) Income

Interest income is accrued as income in the year to which it relates. Interest on interfund balances is credited to the trust fund accounts one year in arrears. All other income is accounted for on a cash basis, with the exception of income accrued on government letters of credit which are irrecoverable.

(c) Expenditure

All UNDP expenditure is accounted for on an accrual basis, except for that relating to staff entitlements (costs related to early separation programme are however, recorded on an accrual basis) and project components implemented by Governments and non-governmental organizations, which are accounted for on the basis of cash disbursements only. Project expenditure includes unliquidated obligations raised by the executing or implementing agents (other than Governments and non-governmental organizations). The following criteria is generally used in applying the accrual basis:

Experts and other project personnel	Costs relating to the period of contractual service falling within the current biennium up to the amount provided in the current budget;
Travel on official business	Costs of travel taking place in the current biennium and travel commencing before the end of the current biennium but extending into the next biennium;
Subcontracts	Payments falling due in the current biennium according to the terms of the contract or payment schedule;
Fellowships	Cost of the fellowship from the anticipated date of commencement of study or start of the current biennium to completion of study or end of the current biennium, whichever is earlier;
Group training	Full cost of any training activity held in the current biennium or beginning in the current and ending in the next biennium;
Equipment	Full cost of contractual agreement or firm order placed with the supplier prior to the end of the current biennium up to the amount provided in the current budget;
Miscellaneous	Cost of events occurred (for example, hospitality), goods or services delivered or firm orders placed for delivery in the current biennium.

Certain flexibility provisions may be applied to expenditure. In any given year, expenditure may exceed an approved project budget for that year by $20,000 or 4 per cent thereof, whichever is the higher, provided the executing agent does not incur overall expenditure for that year in excess of 2 per cent of the total allocations made to it.

(d) Agency programme support costs and technical support services

Agency programme support costs denote the percentage of total project costs authorized by the Executive Board for payment to the executing and cooperating agents and implementing agents to reimburse them for costs incurred in the administration (technical and otherwise) of UNDP financial projects. These support costs are based on total annual programme expenditure. Sectoral support costs are also paid to certain agents for provision of sectoral advice to Governments and UNDP. The level of sectoral support and the use of its resources for a given cycle are determined by the Executive Board.

The Executive Board, by its decisions 95/23 and 96/31 approved new successor programming arrangements and new directives on agency support costs. The major features of the new arrangements are:

(i) To provide incentives for national execution and ensure that agency technical support services are available to governments, particularly for nationally executed programmes/projects;

(ii) To improve the upstream technical focus of agents and reduce their administrative and operational involvement in programmed project implementation;

(iii) To assign resources that will permit programme countries to exercise increased choice in programme/project implementation;

(iv) To replace the cluster rate system by a flat rate not to exceed 10 per cent of the administration and operational services reimbursement.

Details of the support costs under the previous arrangements and the new successor arrangements are provided in schedules 2.1 and 2.3.

Reimbursement for administration and operational services also applies to projects financed by UNDP-administered funds and trust funds. UNDP support costs denote the amounts paid to UNDP as reimbursement for costs incurred for the administration of these funds and trust funds.

(e) Biennial support budget

The biennial support budget comprises three components:

(i) Programme support: expenditure incurred by organizational units (country offices and headquarters) whose primary function is the development, formulation, delivery and evaluation of the programmes of the organization. This will typically include units that provide back-stopping of programmes either on a technical, theoretical, geographical, logistical or administrative basis;

(ii) Management and administration: expenditure incurred by organizational units whose primary function is the maintenance of the identity, discretion and well-being of the Organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations, information and administration;

(iii) Support to operational activities of the United Nations: this comprises four elements which are basically applicable to the Regular Resources activities namely, Country Offices Support, UN Development Group, United Nations Volunteers programme and Inter-Agency Procurement Services Office (IAPSO).

The expenditure under the biennial support budget are recorded in accordance with the principle set out in note 2 (c) above.

(f) Exchange rates

Voluntary contributions received from Governments are translated into United States dollars using the United Nations operational rate of exchange in effect on the date of payment.

Exchange adjustments arising from the receipt of contributions from Governments are recorded as increases or reductions to the contributions. All other exchange adjustments are recorded as other income/expenditure.

For the purposes of accounting of assets, liabilities and transactions and for the maintenance of other financial records, other currencies are translated into United States dollars at the United Nations operational rate of exchange in effect on the date of the report or transaction.

(g) Capital expenditure

The costs of purchased or constructed premises as well as major rehabilitation costs are reflected as capital assets. These assets relate mainly to the housing and office premises under the activity of the Reserve for Field Accommodation and the office premises purchased for the UNDP country office in Argentina (see notes 13 and 14 below).

The full cost of non-expendable equipment is charged to UNDP regular resources through its biennial support budget or to the appropriate project in the biennium in which it is purchased. An inventory is maintained for all non-expendable equipment (defined as items of equipment valued at $500 or more per unit and with a serviceable life of at least five years and items of equipment included in any special list for which formal inventory records are maintained).

The inventory held at UNDP headquarters and at UNDP country offices at 31 December 1997 was valued at $25.6 million ($23.1 million in 1995) and $68.8 million ($63.1 million in 1995), respectively. Assets capitalized are not amortized nor depreciated.

(h) Operational reserve

At its thirty-seventh session in 1990, the Governing Council approved a change in the basis of calculation of the UNDP operational reserves to 20 per cent of the voluntary contributions or 20 per cent of expenditure, whichever was higher.

Where applicable, the operational reserves of Funds are discussed in the notes of the individual funds.

(i) Presentation

By its decision 97/6 the Executive Board approved the harmonization of the Budget presentation format submitted by UNDP, UNICEF and UNFPA. Therefore, the financial reports need to be presented in a way consistent with this decision.

Although the harmonization became effective only on 1 January 1998, an early compliance was considered necessary. The financial statements for the biennium ended 31 December 1997 have been presented accordingly. Further refinements would be incorporated in the financial statements for 1998–1999.

The main features of this harmonization involve activities that are:

(i) Regular resources activities: activities financed from voluntary contributions, donations from non-governmental sources and related interest earnings and miscellaneous income;

(ii) Other resources activities: activities financed from resources other than regular resources, which are received for a specific programme purpose (cost-sharing, government cash counterpart contributions, trust funds established by the Administrator and activities from management service agreements);

(iii) For accounting presentation purposes the reimbursable support services and other special activities, namely, Junior Professional Officers (JPOs), Reserve for Field Accommodation, etc. are included in the other resources activities;

(iv) Funds administered by UNDP: activities of funds established by the General Assembly and administered by UNDP.

The nature of some expenditure has been redefined as explained in note 2 (e).

Other reclassifications and changes in presentation were made to better reflect the nature of the operations and/or to better comply with the accounting standards. These changes have affected mainly:

(i) Cost-sharing activities: interest earned and support costs charged by the regular resources activities to cost-sharing activities are reflected through the Statement of income and expenditure. In the past these transactions were reflected directly as transfers to UNDP extrabudgetary income;

(ii) Reimbursable support services for funds and trust funds: formerly termed "extrabudgetary activities", the reimbursable support services are now presented as part of the funds and trust fund's income statement with the ending balance reflected in the "unexpended resources balance". In prior years, the net balance of these activities was shown between the liabilities section and the unexpended resources balance section.

A detailed schedule is provided for each of the following:

(i) Fully funded agreements of UNV with Governments and institutions, by country and by project;

(ii) Trust funds' management service agreements;

(iii) IAPSO trading activities.

(j) Non-consolidated financial statements

The results of the operations reflected in statements I to IV are presented on the basis of the three major components explained above in note 2 (i).

The totals of each major component are shown only for the purpose of reflecting the component's aggregate data. Identified inter-activities/interfund balances (within each component) in the balance sheet have been eliminated in computing these totals. Other interfund transactions are not eliminated. Therefore, these aggregates are not intended, by any means, to reflect the consolidated amounts which would have required eliminations of all interfund transactions and balances within each component.

(k) Determination of certain balance sheet items

Owing to the nature of the activities, certain transactions pertaining to cost-sharing, government cash counterpart contributions, etc., are commingled in the regular resources accounts (investments, deferred charges, receivables, payables, etc.). Whenever possible the balances of these accounts at 31 December 1997, and the comparatives, have been apportioned essentially on the basis of the best available information. The accounts not apportioned have been reflected in the interfund account balance.

Note 3
Contributions receivable and in-kind contributions (off-balance sheet)

(a) (i) Contributions of Governments and other contributors – regular resources

Contributions due from Governments and other contributors for current and prior years that have not been paid at 31 December 1997 are as follows:

	Voluntary contributions	*Voluntary contributions for the Special Measures Fund for the Least Developed Countries*	*Total*
	(thousands of United States dollars)		
1993 and prior years	4 667	17	4 684
1994	1 108	3	1 111
1995	1 756	—	1 756
1996	1 975	4	1 979
1997	18 379	—	18 379
Total	**27 885**	**24**	**27 909**

(ii) Contributions of Governments and other contributors – cost-sharing and government cash counterpart contributions

At 31 December 1997, the following amounts were receivable for cost-sharing, and government cash counterpart contributions projects. These amounts are to be rephased to future years.

	thousands of United States dollars
Cost-sharing	394 203
Government cash counterpart contributions	9 544
Total	**403 747**

The amounts in respect of cost-sharing and government cash counterpart contributions are based on budgeted expenditure for the year and will be adjusted on the rephasing of these budgets.

(b) In-kind contributions

In 1996, Hewlett Packard Company (a leading manufacturer of computing, communications and measurement products) donated a wide range of new computing equipment, including enterprise servers, personal computers, printers and other peripherals, to the UNDP Sustainable Development Networking Programme. The value of this contribution, estimated at $1.1 million, has not been recorded in the accounts.

These products are intended for direct use in various projects in developing countries. Sustainable Development Networking Programme links bodies, universities, non-governmental organizations, the private sector and individuals in developing countries for the purpose of exchanging critical information on sustainable human development.

As part of UNDP agreements with recipient countries, the Governments of those countries are to provide UNDP with accommodations free of charge. These in-kind contributions received during the biennium 1996–1997 are estimated at $5.9 million. These estimates are based on the market value, if available, or the best estimates from the Government or UNDP country offices.

Note 4
Unidentified receipts

Monies received, but not identified as to purpose, are held as accounts payable until identified. At 31 December 1997, $13,401,874 in unidentified receipts were held as accounts payable. This amount is included in note 12 (b).

Note 5
Accounting linkage – voluntary contributions and contributions to local office costs

At its thirty-first session in 1984, the Governing Council authorized the establishment of a country-specific accounting linkage between voluntary contributions and contributions to local office costs in such a manner that voluntary contributions are first accounted for against any shortfall in contributions to local office costs. The total amount of $12,554,775, which was transferred from voluntary contributions in respect of such linkage, is included in the $44,167,892 figure in schedule 3 and shown in note 6.

Note 6
Income received for the biennial support budget – regular resources

The amount of $44,167,892 (1995: $36,342,785) shown in schedule 3 as income received for the biennial support budget consists of host Government cash contributions to local office costs of $40,120,346 and other income of $4,047,546.

Host Government contributions consist of:

	1997	*1995*
	(thousands of United States dollars)	
Government local office contributions	27 566	28 621
Transfers from voluntary contributions	12 555	7 311
Total	40 121	35 932

Note 7
Interest income – regular resources

The amounts shown in statement I.1 consist of:

	1997	1995
	(thousands of United States dollars)	
Interest from investments	166 988	127 061
Interest on construction loans	98	250
Interest on the medical insurance plan	—	508
Interest transferred to:		
Cost-sharing	(33 102)	(10 916)
Trust Funds	(28 805)	(11 799)
Management service agreements	(12 059)	(9 883)
Reimbursable support services	(6 000)	—
Total	**87 120**	**95 221**

Note 8
Cash – regular resources

The amounts shown in statement II.1 consist of:

	1997	1995
	(thousands of United States dollars)	
Convertible currencies	3 140	5 320
Usable non-convertible currencies	5	12
Accumulated non-convertible currencies	15 246	12 690
Cash at country offices	(5 992)	3 981
Transfer from regular resource investments	2 201	—
Subtotal	**14 600**	**22 003**
Less: provision for depreciation of accumulating non-convertible currencies	14 600	—
Total	**—**	**22 003**

The cash balance at country offices takes into account the uncleared cheques of $62,832,447 (outstanding cheques of $238,863,596 less replenishments from headquarters of $176,031,149). There is an automatic replenishment from the headquarter current and investment accounts once these cheques are cashed.

The above provision was established for the biennium 1996–1997 to reflect the over valuation of the Cuban peso against the United Nations rate of exchange. This amount of $14,600,000 was netted against the recovery of $202,000 in respect of the FAO fisheries vessel pool (note 12 (a)).

Note 9
Government letters of credit

Government letters of credit shown in statement II.2 were made to UNDP in respect of cost-sharing for the following activities:

	1997	*1995*
	(thousands of United States dollars)	
Public sector reform in Argentina	—	1 231
Rehabilitation, reconstruction and development in Tajikistan	100	—
Assistance to government aid management and aid coordination	30	—
Promotion of community-based peace and confidence-building measures, Tajikistan	150	—
Plan of action for the reinstallation and reintegration of refugees and formerly displaced persons	25	—
Establishment of the early warning system in Bulgaria	52	—
HIV programme	—	641
United Nations Development Office in Somalia	—	500
Emergency and logistics support in Liberia	—	1 254
Support to the Rwanda human rights monitoring operations	—	150
Total	**357**	**3 776**

As the letter of credit is irrevocable, the amount is presented with cash and investments in statement II.2 and is included in cost-sharing contributions as presented in statement I.2.

Note 10
Valuation of cash and investments at 1 January 1998 United Nations operational rate of exchange

In accordance with the accounting policy disclosed in note 2 (f), cash for regular resources and IAPSO totalling $2,407,738 as reported in statement II and investments totalling $1,415,870,412 as reported in statement II and schedule 8 include the United States dollar equivalent of cash and investments in other currencies using the United Nations operational rate of exchange established on 1 December 1997 and in effect on 31 December 1997. At the United Nations operational rate of exchange in effect on 1 January 1998, which more closely reflects the market rate of exchange at 31 December 1997, the value shown in the accounts would have decreased by approximately $51,604 and $187,754 for cash and investments, respectively.

Note 11
Opening balances of resources

A detailed review of the resource balance of the cost-sharing projects revealed excess charges to cost-sharing resources of $35,853,630 for the period 1988–1995. The impact was that the regular resource balance was overstated by the same amount.

Furthermore, the reimbursable services resource opening balance has been adjusted by $6,995,191. This amount represents prior years' cost-sharing administrative support charges not transferred to country office reimbursable support services income at 31 December 1995. The impact was that the reimbursable support services resource balance was understated and the cost-sharing resource balance was overstated. The 1995 comparative figures have not been restated (with the exception of schedule 2.3).

Note 12
Accounts receivable and payable

(a) Other accounts receivable and deferred charges

The amounts shown in statements II.1 and II.2 consist of:

	1997	*1995*
	(Thousands of United States dollars)	
Advances to staff and consultants	10 515	8 864
Deferred charges	5 493	3 618
Agency receivables	3 075	2 385
Miscellaneous field office receivables	19 522	13 937
Miscellaneous accounts receivables	64	1 493
Subtotal	**38 669**	**30 297**
Less: Provision to reduce the book value of accounts receivable	305	507
Total	**38 364**	**29 790**
This total is reported as follows:		
Regular resources, statement II.1	19 839	17 812
Other resources, statement II.2	18 525	11 978
	38 364	**29 790**

The provision established in 1987 to reduce the deficit in operating the FAO fisheries vessel pool was reduced to reflect the current value of the receivables.

(b) Accounts payable

The amounts shown in statements II.1 and II.2 consist of:

	1997	*1995*
	(thousands of United States dollars)	
Amounts received in respect of other United Nations organizations' programmes	7 219	5 318
Medical insurance plan fund	12 357	9 135
Insurance proceeds in respect of the air crash in the United Republic of Tanzania	—	42
Miscellaneous field office payable	13 558	8 768
Miscellaneous accounts payable	32 975	27 140
Cash received and awaiting clarification	13 402	7 094
Contribution from the Government of Norway for the United Nations common coding system office	—	400
Total	**79 511**	**57 897**
This total is reported as follows:		
Regular resources, statement II.1	45 706	36 305
Cost-sharing, statement II.2	33 805	21 592
	79 511	**57 897**

Note 13
Reserve for Field Accommodation

The Reserve for Field Accommodation was established in 1979 at a maximum level of $25 million to construct housing for United Nations international staff in the country offices. In 1989 the Governing Council authorized UNDP to expand the scope of the Reserve to include financing for the United Nations system common premises, intended to accommodate the office needs of the agencies of the Joint Consultative Group on Policy.

The cumulative operating deficit of $6.2 million shown in schedule 6 is derived mainly from the operations of housing rental and offices premises.

At 31 December 1997, the excess of total expenditure over the authorized level of reserve under the Reserve for Field Accommodation activities is $27,626,292 ($29,761,852 in 1995).

The schedule on Reserve for Field Accommodation activities now includes each of its elements: reimbursable support services, office premises and housing. The split of the balance sheet items is essentially based on the best available information: the market value, if any, the architect reports, the various biddings for the constructions, etc. The income statement data for both the housing and the office premises are based on the nature of the actual transactions. The 1994–1995 data have been reclassified for comparison purposes.

The income statement includes write-off and provision for asset write down of $14.1 million. This provision is based on the management's best estimate of the Reserve for Field Accommodation assets impairment as at 31 December 1997.

The long-term receivable of $1,126,710 shown in schedule 6.3 represents the amount receivable over one year resulting from the sale of housing apartments in Cape Verde. The sale price was $1,300,050 and is payable in 15 annual installments of $86,670. The current portion ($86,670) is included in other accounts receivable.

Note 14
Office premises purchased for the UNDP country office in Argentina

In October 1996, an office space was purchased for the country office in Argentina. The cost of this acquisition amounted to $1,570,000 and was financed by:

(a) Appropriation from country office reimbursable support services' resources for $630,694;

(b) Borrowing from the cost-sharing resources for $939,306. This interest-free borrowing is reimbursable from country office extrabudgetary resources. At 31 December 1997, the balance of this borrowing was $13,102, which will be paid off in 1998.

This asset, which has been exceptionally capitalized, is shown under regular resources.

Note 15
Reserves for staff separations and transitional measures

At its fortieth session in 1993, the Governing Council approved the use of the 1992–1993 budget savings to support a smooth implementation of the 1994–1995 budget strategy. Accordingly, the reserve for transitional measures and the reserve for budgeted separations were established with the initial amounts of $7,200,000 and $6,359,000, respectively.

Based on the same principle, the Executive Board, at its third regular session in 1995, approved additional resources to be set aside for the implementation of the 1996–1997 budget strategy. In accordance with that decision, $8,400,000 and $14,000,000 were transferred from UNDP regular resources to the reserve for transitional measures and the reserve for budgeted separations.

The unexpended balance of the reserve for transitional measures shown in statement II.1 consists of:

	Balance at 1 January 1996	*Payments/adjustments made during the biennium*	*Balance at 31 December 1997*
	(thousands of United States dollars)		
Balance in relation to the 1994–1995 budget strategy	36	48	84
Balance in relation to the 1996–1997 budget strategy	8 400	(8 350)	50
Total	**8 436**	**8 302**	**134**

The reserve for budgeted separations shown in statement II.1 consists of:

	Balance at 1 January 1996	*Payments made during the biennium*	*Balance at 31 December 1997*
	(thousands of United States dollars)		
Balance in relation to the 1994–1995 budget strategy	74	(74)	—
Balance in relation to the 1996–1997 budget strategy	12 283	(12 283)	—
Total	**12 357**	**(12 357)**	—

Disbursements against these reserves are in addition to expenditure incurred against appropriations approved by the Executive Board in the recurrent biennial support budget.

Note 16
Unspent allocations and future commitments

(a) Unspent allocations

Unspent allocations issued against UNDP resources for programme expenditure (excluding national execution) at 31 December 1997 amount to approximately $702 million ($635 million in 1995) against which forward commitments reported by executing agencies are approximately $56 million ($54 million in 1995).

(b) Leasehold commitments

Future leasehold commitments against regular resources at 31 December 1997 amount to $75.8 million ($22.9 million in 1995) for headquarters and $6.7 million ($11.4 million in 1995) for country offices.

(c) End-of-service and post-retirement liabilities

Consistent with note 2(c) above, liabilities for end-of-service benefits, post-retirement benefits and annual leave are not provided for in the financial statements.

Costs relating to annual leave at 31 December 1997 are estimated at $17.5 million.

The contingent liability resulting from the termination benefits that UNDP will be required to pay to its staff members in future years is estimated at 31 December 1997 to be $15,169,444 in respect of repatriation grants and $3,791,182 in respect of termination indemnity.

(d) Post-retirement benefits

Health insurance coverage is available to qualified retired employees. UNDP has not recorded in its accounts liabilities for after-service health insurance costs. Such payments are recorded when actual payments are made. These payments amounted to approximately $2.5 million per year.

(e) Pension benefits

UNDP is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits. The Fund is a funded defined benefit plan. The financial obligation of the organization to the Fund consists of its mandated contribution at the rate established by the General Assembly together with any share of any actuarial deficiency payments under article 26 of the regulations of the Fund. Such deficiency payments are only payable if and when the General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date.

(f) Air crash in the United Republic of Tanzania

On 5 December 1980, four UNDP staff members died in an air crash in the United Republic of Tanzania. As a result, UNDP received insurance proceeds totalling $623,948 from which it paid compensation to the beneficiaries of the victims. The remaining balance of these proceeds was fully utilized in 1996. Since then compensation payments have been reported as expenditure in the year the payments are made.

Note 17
Unliquidated obligations

The balance of unliquidated obligations shown in statement II consists of:

	1997	*1995*
	(thousands of United States dollars)	
Executing agents	104 184	89 302
Biennial support budget	23 569	30 274
Reimbursable support services	3 394	2 440
Total	**131 147**	**122 016**
Regular resources	68 368	28 910
Cost-sharing	59 385	90 666
Reimbursable support services	3 319	2 338
Reserve for Field Accommodation reimbursable services	30	102
Special activities	45	—
Total	**131 147**	**122 016**

Note 18
Outstanding commitments of the Reserve for Field Accommodation

Unpaid invoices and commitments to contractors and subcontractors against the Reserve for Field Accommodation total approximately $2.7 million at 31 December 1997 ($5.6 million in 1995). These invoices are not accrued in the current biennium.

Note 19
Inter-Agency Procurement Services Office

(a) Accounts payable

The amount of $10,423,722 ($12,795,348 in 1995) shown in schedule 6 represents advances received relating to direct procurement.

(b) Biennial support budget

The IAPSO core support budget of $3,876,825 ($5,138,086 in 1995) is included in the amount for regular resources in the biennial support budget and detailed in schedule 3.

(c) Basis of accounting

IAPSO direct procurement activity is accounted for on a cash basis.

(d) Trading activities

The trading activities of IAPSO for the biennium 1996–1997 generated gross revenue of $119.6 million. Based on the activities IAPSO earned procurement handling fees and other fees amounting to $5.7 million as shown in schedule 6.4.

Note 20
Special activities (schedule 6.5)

(a) Support to United Nations resident coordinator activities

The activities are to support collaborative programming; follow-up to major international conferences; United Nations system public information activities; review and planning of United Nations system shared services and common premises; and special assignments.

In 1995, this activity was shown as a trust fund with a total resource balance of $2,586,207 at 31 December. To reflect better the nature of the contribution and the operations, this activity is now shown under "Special activities".

For the biennium ended 31 December 1997, total expenditure incurred with regard to these activities amounted to $4,188,358.

The portion of the support to United Nations Resident Coordinator activities funded from specific contributions is shown under special activities. The remaining portion of $6,419,882 is funded by the core resources and therefore presented under regular resources in statement 1.1.

(b) Unified coding system

Up to 31 December 1995, the net resource available ($400,000) for the unified coding system was included in accounts payable. It was reclassified in special activities to better reflect the nature of the operations.

(c) Other

Various other activities have been reclassified from accounts payable to special activities (e.g., Centre of Experimentation, Sustainable Energy and Environment Division).

Note 21
Trust Fund to Combat Desertification and Drought

(a) Mandate and goals

To address the effects of the severe drought in the Sahel region in Africa in the early 1970s, the Secretary-General of the United Nations in 1973 established the United Nations Sahelian Office, under the acronym UNSO. In 1977, UNSO was placed under UNDP administration. In 1978, its mandate was extended to assist, on behalf of UNEP, the countries of the Sudano-Sahelian region in their implementation of the 1977 World Plan of Action to Combat Desertification.

In Agenda 21 adopted at the United Nations Conference on Environment and Development in 1992, UNSO was explicitly called upon to assume a major advisory role and participate effectively in the implementation of Agenda 21 provisions related to combating drought and desertification, and to land resource management, and to share its experience in this respect with all relevant countries, in particular those in Africa, with special attention to countries most affected or classified as least developed countries. The UNDP Governing Council and the General Assembly in June and December 1993, respectively, endorsed this extension of the UNSO mandate. In 1995, the UNDP Executive Board and the Economic and Social Council endorsed the renaming of UNSO to Office to Combat Desertification and Drought, while retaining its familiar acronym.

In response to the Executive Board's call for greater functional integration of UNSO into UNDP, the Administrator in 1994 brought together UNSO and several other environment-related units in the new sustainable Energy and Environment Division. Today, UNSO may be characterized as a special programme in dryland management, desertification control and drought mitigation. Its principal goals are to spearhead UNDP support to affected programme countries in the implementation of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa, and to serve as the principal global advocate for an integrated approach to dryland degradation and poverty eradication in conformity with the broad sustainable human development agenda of UNDP.

Within a broad programme approach, UNSO, *inter alia*:

- Provides technical support and/or catalytic funding to the launching of the participatory and integrated processes called for under the Convention to formulate and implement national, subregional and regional action programmes to combat desertification and promote sustainable livelihoods in the world's drylands;
- Develops and tests new, innovative concepts and approaches to policy and programme formulation in dryland management and on cross-cutting issues critical for successful implementation of the Convention and facilitates access to them through technical publications training and capacity-building;
- Facilitates documentation dissemination, and exchange of knowledge, experience and best practices within the framework of selected thematic programme areas (water management, local-level natural resource management, pastoral development, environmental information systems, etc.);
- Promotes awareness on dryland development issues and facilitates mobilization of resources and partnership building with relevant intergovernmental and non-governmental agencies to avoid duplication of efforts and to optimize the use of resources available for the implementation of the Convention.

(b) Combined accounts

In the light of the above evolution in the UNSO mandate, the Administrator in 1995 established the Trust Fund to Combat Desertification and Drought. Appropriate steps were taken, including consultations with the United Nations legal services, to proceed towards a consolidation of the Trust Fund under the former mandate with the new Trust Fund.

In the meantime, the activities of these two funds have been combined as shown in schedule 5.2. The status of income received and expenditure incurred for the current biennium are as follows:

	United Nations Trust Fund for Sudano-Sahelian Activities	*Trust Fund to Combat Desertification and Drought*	*Total*
	(thousands of United States dollars)		
Unexpended resources as at 1 January 1996	23 504	885	24 389
Income received	6 347	9 173	15 520
Interfund transfers	(590)	590	—
Net income	**5 757**	**9 763**	**15 520**
Expenditure incurred	(14 563)	(2 467)	(17 030)
Savings on prior biennium's obligations	14	—	14
Transfers from MSA	78	367	445
Refunds to donors	(382)	—	(382)
Unexpended resources at 31 December 1997	**14 408**	**8 548**	**22 956**

(c) Other accounts receivable and deferred charges

The amounts shown in schedule 5.2 consist of:

	1997	*1995*
	(thousands of United States dollars)	
Uncleared field office charges through inter-office vouchers	75	—
Due from UNEP under UNDP/UNEP joint activities	100	1 295
Total	**175**	**1 295**

The amount of $100,000 ($1,295,000 in 1995) shown above represents the balance due from UNEP for institutional support and programme support under the joint venture agreement between UNDP and UNEP signed in January 1979.

In April 1995, UNEP and UNDP agreed to refocus the joint venture into a partnership for joint programming in areas where UNEP and UNDP/UNSO have complementary expertise. The joint programmes will support implementation of the Convention in all affected countries, particularly in Africa. In this connection, the Administrator of UNDP proposed to maintain the UNDP contribution to the partnership at $1 million per biennium.

Effective 1996, the UNEP contributions are redirected towards seed funding for programme activities under the partnership.

(d) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 5.2 consists of:

	1997	*1995*
	(thousands of United States dollars)	
Executing agents	238	413
Biennial support budget	29	102
UNDP/UNEP joint venture activities	—	92
Total	**267**	**607**

(e) Reimbursable support services

The balance of reimbursable support services (formerly extrabudgetary) of $391,484 at 31 December 1997 was transferred to regular resources in accordance with the instruction from UNSO management.

(f) Unspent allocations and unexpended resources

The amounts shown in schedule 5.2 consist of:

	Unspent allocations		*Unexpended resources*	
	1997	*1995*	*1997*	*1995*
	(thousands of United States dollars)			
Regular resources	3 668	2 981	11 831	17 526
Cost-sharing	8 590	10 637	6 842	5 756
Sub-trust funds	4 092	1 301	4 283	975
Total	**16 350**	**14 919**	**22 956**	**24 257**

Unspent allocations exceeding cost-sharing resources of $1,747,501 were issued on the basis of contributions receivable totalling $3,552,131. This amount is included in the contributions receivable amount of $5,349,272 shown in note 34.

Note 22
Trust Fund for the Global Environment Facility

(a) Mandate and goals

The Trust Fund for GEF was established for the receipt and administration of funds to finance UNDP preinvestment studies, technical assistance and training for global environment policies, programmes and projects. The agreement between UNDP and the World Bank, as trustee for GEF, was signed on 29 April 1991. As stated in the "Instrument for the Establishment of the Restructured Global Environment Facility":

- GEF shall operate, on the basis of collaboration and partnership among the implementing agencies, as a mechanism for international cooperation for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits in the following focal areas: climate change; biological diversity; international waters; and ozone layer depletion.
- The agreed incremental costs of activities concerning land degradation, primarily desertification and deforestation as they relate to the four focal areas shall be eligible for funding. The agreed incremental costs of other relevant activities under Agenda 21 that may be agreed by the Council shall also be eligible for funding insofar as they achieve global environmental benefits by protecting the global environment in the four focal areas.
- GEF shall ensure the cost-effectiveness of its activities in addressing the targeted global environmental issues, shall fund programmes and projects that are country-driven and based on national priorities designed to support sustainable development and shall maintain sufficient flexibility to respond to changing circumstances in order to achieve its purposes.

UNDP will play the primary role in ensuring the development and management of capacity-building programmes and technical assistance projects. Through its global network of field offices, UNDP will draw upon its experience in human resources development, institutional strengthening and non-governmental and community participation to assist countries in promoting, designing and implementing activities consistent with the purpose of GEF and national sustainable development strategies. Also drawing on its intercountry programming experience, UNDP will contribute to the development of regional and global projects within the GEF work programme in cooperation with the other implementing agencies.

(b) Interest income

In August 1996, an investment account was established for this trust fund. Interest income earned from those investments are recorded under general resources in the same year it is earned. This differs from the policy in prior periods where interest earned from investments commingled with UNDP resources were credited to the trust fund accounts one year in arrears. However, interest income on sub-trust funds will continue to be credited one year in arrears.

The interest income shown in schedule 5.2 consists of $4,483,722 earned from its own investment account and $2,128,273 from investments, commingled with UNDP resources.

(c) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 5.2 consists of:

	1997	*1995*
	(thousands of United States dollars)	
Executing agents	8 423	10 502
Biennial support budget	206	189
Total	**8 629**	**10 691**

(d) Unspent allocations and unexpended resources

The amounts in schedule 5.2 consist of:

	Unspent allocations		*Unexpended resources*	
	1997	*1995*	*1997*	*1995*
	(thousands of United States dollars)			
Regular resources	152 146	133 801	29 493	34 001
Cost-sharing	1 512	1 867	6 271	6 495
Sub-trust funds	2 896	3 155	3 455	4 722
Total	**156 554**	**138 823**	**39 219**	**45 218**

The unspent allocations for regular resources include $17,004,045 allocated to the small grants programme. Allocations exceeding regular resources in the amount of $122,654,256 were issued on the basis of letters of commitments from the World Bank as trustee of the GEF Trust Fund confirming allocations of $548,500,000 to UNDP. The amounts receivable under this mechanism are not included in the contributions receivable shown under note 34. Funds are remitted by the trustee as required by UNDP/GEF. To date, a total of $291,600,000 has been received.

Note 23
Multilateral Fund for the Implementation of the Montreal Protocol

(a) Mandate and goals

The stratospheric ozone layer prevents most ultraviolet radiation from reaching earth. This ozone layer is under intense attack by chlorofluorocarbons, halons and other ozone-depleting substances used as refrigerants, foaming agents, aerosol propellants, fire retardants, solvents and fumigants. The depletion of the ozone layer allows more radiation to reach the earth raising the incidence of skin cancer and cataracts, and affecting agriculture, fisheries and biological diversity.

The Montreal Protocol (1987) sets out the time schedule for freezing and reducing consumption of the ozone-depleting substances. Developed countries have already eliminated most of the ozone-depleting substances consumption; developing countries have a grace period. A multilateral fund was established under the Montreal Protocol to assist developing countries eliminate the ozone-depleting substances; it is funded by developed countries (since they had contributed the most to the ozone layer depletion problem). The Multilateral Fund during 1991–1996 approved $530 million in projects to eliminate 77,000 metric tons of ozone-depleting substances. An additional $540 million has been approved for the three-year period 1997–1999.

UNDP is one of four implementing agencies under the Multilateral Fund (with UNEP, UNIDO and the World Bank). UNDP assists 60 countries (51 under the Multilateral Fund and 9 under GEF) to implement national programmes to phase out chlorofluorocarbons, halons and other ozone-depleting substances through national country programme formulation; technical training and demonstration projects; institutional strengthening/national capacity-building; and technology transfer investment projects.

UNDP helps Governments and industry design, implement, monitor and evaluate projects and programmes to phase out ozone-depleting substances in the aerosols, foams, solvents, refrigeration/air-conditioning and fire-extinguishing sectors, covering large, medium and small-scale enterprises. UNDP has also started working on demonstration projects to test alternatives to the use of methyl bromide – a pesticide that contains chlorofluorocarbons, in agricultural uses. The programme comprises a mix of UNOPS-executed (75 per cent) and nationally executed (25 per cent) activities. UNDP is also assisting Australia, Denmark, Sweden and the United States of America to implement certain bilateral programmes under the Multilateral Fund.

(b) Interest income

In December 1996, an investment account was established for the trust fund. Interest income earned from those investments are recorded under general resources in the same year it is earned. This differs from the policy in prior periods where interest earned from investments commingled with UNDP resources were credited to the trust fund accounts one year in arrears. However, interest income on sub-trust funds will continue to be credited one year in arrears.

The interest shown in schedule 5.2 consists of $6,330,189 earned from its own investment account and $7,637,613 from investments, commingled with UNDP resources.

(c) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 5.2 consists of:

	1997	*1995*
	(thousands of United States dollars)	
Executing agents	15 564	18 936
Biennial support budget	43	56
Total	**15 607**	**18 992**

(d) Unspent allocations and unexpended resources

The amounts in schedule 5.2 consist of:

	Unspent allocations		*Unexpended resources*	
	1997	*1995*	*1997*	*1995*
	(thousands of United States dollars)			
Regular resources	54 281	46 024	84 394	71 964
Sub-trust funds	1 083	194	486	205
Total	**55 364**	**46 218**	**84 880**	**72 169**

Note 24
"Capacity 21" Trust Fund

(a) Mandate and goals

The "Capacity 21" Trust Fund was established by the Administrator in 1993, subsequent to the Governing Council's decision, as an initiative to help countries implement Agenda 21. Agenda 21 is the agenda for actions agreed to at the United Nations Conference on Environment and Development.

The mission of "Capacity 21" is to pilot innovative methods of implementing Agenda 21 by helping selected countries to design and implement capacity-building programmes for sustainable development. "Capacity 21" will ensure that, in addition to substantial progress being made by the pilot countries in the achievement of sustainable forms of development, a body of knowledge will be built up that will be of material benefit to other countries that are implementing Agenda 21.

(b) Interest income

In December 1996, an investment account was established for this trust fund. Interest income earned from those investments are recorded under general resources in the same year it is earned. This differs from the policy in prior periods where interest earned from investments commingled with UNDP resources were credited to the trust fund accounts one year in arrears. However, interest income on sub-trust funds will continue to be credited one year in arrears.

The interest shown in schedule 5.2 consists of $2,921,840 earned from its own investment account and $4,446,768 from investments, commingled with UNDP resources.

(c) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 5.2 consists of:

	1997	*1995*
	(thousands of United States dollars)	
Executing agents	623	473
Biennial support budget	31	31
Total	**654**	**504**

(d) Unspent allocations and unexpended resources

The amounts in schedule 5.2 consists of:

	Unspent allocations		*Unexpended resources*	
	1997	*1995*	*1997*	*1995*
	(thousands of United States dollars)			
Regular resources	16 274	13 672	46 711	38 191
Cost-sharing	599	54	114	127
Sub-trust funds	1 366	20	2 277	1 919
Total	**18 239**	**13 746**	**49 102**	**40 237**

Note 25
Energy Account

(a) Mandate and goals

Established by the UNDP Governing Council in 1980, the UNDP Energy Account is the channel for specific contributions for energy activities within the context of the UNDP Initiative for Sustainable Energy. These activities are aimed at promoting sustainable energy strategies including:

- Utilizing renewable sources of energy to meet the basic energy needs of rural communities and focusing on energy efficiency in residential, commercial and industrial sectors (while renewable energy systems are environmentally benign and have demonstrated their reliability under a wide range of conditions, energy efficiency measures can, at a minimum, reduce carbon dioxide emission and postpone investment by delaying construction of new fossil fuel-based power plants).
- Contribution to innovative financing mechanisms such as Financing Energy Services for Small-scale Energy Users to identify and promote ways to provide technically feasible and economically viable renewable energy and energy efficiency services to various types of energy users.
- Mobilizing support for indigenous capacity-building so that countries can identify and make use of new approaches and technologies opportunities as well as train entrepreneurs and implement new financial/credit modes.
- Encouraging countries to create a supportive legal, institutional and regulatory climate for sustainable energy development.

(b) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 5.2 consists of:

	1997	*1995*
	(thousands of United States dollars)	
Executing agents	37	63
Biennial support budget	10	1
Total	**47**	**64**

(c) Unspent allocations and unexpended resources

The amounts shown in schedule 5.2 consist of:

	Unspent allocations		*Unexpended resources*	
	1997	*1995*	*1997*	*1995*
	(thousands of United States dollars)			
Regular resources and cost-sharing	2 217	4 874	2 874	4 737
Sub-trust funds	—	—	4	6
Total	**2 217**	**4 874**	**2 878**	**4 743**

Note 26
Fund for the Programme of Assistance to the Palestinian People

(a) Mandate and goals

The UNDP Programme of Assistance to the Palestinian People has been operational in the West Bank and the Gaza Strip since 1980, having been mandated by the Governing Council to undertake both technical and capital assistance projects. The Programme is a decentralized assistance programme that reports directly to the office of the Administrator. Most of the activities supported by UNDP are directed at strengthening newly created Palestinian institutions and creating employment opportunities in the occupied territories.

Since the establishment of the Palestinian Authority in the West Bank and the Gaza Strip in May 1994, there has been a redefinition of the Programme's strategies and programme initiatives. As mandated by the programme framework, the Programme's primary counterpart of development activities is the Palestinian implementation capacities of the Palestinian ministries, municipalities and village councils, and civil society organizations. In conjunction with the Palestinian Authority, UNDP is also identifying and launching longer-term types of initiatives which are essential to the long-term development of the Palestinian territories. Whenever possible, UNDP uses Palestinian implementation networks and expertise.

UNDP, under the auspices of the Programme, has sought to improve the social, economic, and environmental conditions for all Palestinians in the occupied territories by implementing specific projects. The development and assistance strategies have resulted from a joint assessment of the top priorities in each sector by UNDP/the Programme and the Palestinian Authority. The projects reflect a realistic view of what is achievable and readily implementable in each sector, as well as attempt to narrow down those practically unlimited range of development needs in the West Bank and the Gaza Strip to those specific projects that will provide the most tangible and visible results to the Palestinian people.

These projects have focused on four basic areas: public administration, economic development, human development and environmental management.

(b) Unliquidated obligations

The amounts shown in schedule 5.2 represent unliquidated obligations of executing agents.

(c) Unspent allocations and unexpended resources

The amounts shown in schedule 5.2 consist of:

	Unspent allocations		*Unexpended resources*	
	1997	*1995*	*1997*	*1995*
	(thousands of United States dollars)			
Regular resources	31 816	30 727	36 477	30 708
Sub-trust funds	5 978	—	2 856	21
Total	**37 794**	**30 727**	**39 333**	**30 729**

Unspent allocations for sub-trust funds exceeded available resources in the amount of $3,199,841. However, at 31 December 1997, contributions receivable amounted to $3,026,316, as shown in note 34.

(d) Sub-trust funds

The following sub-trust funds – the Support to the Employment Generation Programme in Gaza funded by Sweden and the Canadian International Development Agency Trust Fund for Non-Formal Education: Youth Centre Project, which were stand-alone trust funds before, have been reclassified as sub-trust funds of the Programme of Assistance to the Palestinian People. This was done in order to reflect better the nature of the operations. The comparative amounts for the prior biennium have been restated accordingly.

(e) Other accounts receivable

The balance shown in schedule 5.2 consists of recoverable advances paid with regard to value added tax.

Note 27
Trust Fund for Rwanda

(a) Mandate and goals

The UNDP Trust Fund for Rwanda was created in April 1995 to enhance UNDP programme activities in support of the Government of Rwanda's Programme of National Reconciliation and Socio-economic Rehabilitation and Recovery as presented at the Round Table Conference at Geneva in January 1995. The purpose of the Fund is to provide assistance to interested Governments and organizations in the following areas:

- Restoration of the administrative capacity of the State, including non-traditional development expenditures, such as salaries and also judiciary expenses;
- Recovery of economic activity;
- Rehabilitation of social sectors;
- Resettlement and reintegration of refugees and displaced persons.

(b) Unliquidated obligations

The amounts shown in schedule 5.2 represent unliquidated obligations of executing agents.

(c) Unspent allocations and unexpended resources

The amounts shown in schedule 5.2 consist of:

	Unspent allocations		*Unexpended resources*	
	1997	*1995*	*1997*	*1995*
	(thousands of United States dollars)			
Regular resources	14 954	4 441	35 571	9 636
Sub-trust funds	8 570	198	6 310	7 239
Total	**23 524**	**4 639**	**41 881**	**16 875**

Unspent allocations for five sub-trust funds exceeded their available resources in the amount of $2,493,840. Contributions receivable for these sub-trust funds amount to $767,606. This amount is included in the contributions receivable of $4,959,000 shown in note 34.

(d) Expenditure

The amount of $663,000 shown in schedule 5.1 comprises agency support cost of $267,000 and UNDP support cost of $396,000. The latter amount is also included in the amount of $1,568,000 shown in schedule 5.2.

Note 28
Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries

In accordance with the General Assembly's decision at its forty-first session in 1986, $5 million of the trust fund's resources are held in perpetuity. It was also decided that only interest earnings from the Fund's investments would be available for programming.

Note 29
United Nations Capital Development Fund

(a) Mandate and goals

UNCDF is a multilateral donor organization under the administration of UNDP. It works to reduce poverty in least developed countries through strengthening local government and community institutions, enhancing the private sector, creating mechanisms for the provision of credit to the poor and swapping capital investments for the environmentally sound use of natural resources.

The General Assembly established UNCDF as an autonomous organization within the United Nations system by resolution 2186 (XXI) of 13 December 1966. The Assembly further decided, by resolution 2321 (XXII) of 15 December 1967, that the UNDP Administrator would administer the Fund and serve as its Managing Director while the UNDP Governing Council would act as the Fund's Executive Board.

(b) Cash

The amounts shown in schedule 7 consist of:

	1997	*1995*
	(thousands of United States dollars)	
United States dollar amounts	128	1
Convertible currencies	1	1
Accumulating non-convertible currencies	460	420
Total	**589**	**422**

(c) Loans to governments

The amount of $5,636,840 ($9,671,809 in 1995) shown in schedule 7 represents the total outstanding loans made by the Fund to the Governments of Benin, Botswana, Burkina Faso, Ghana, Mali, Nepal and Senegal. No advances were made during the current biennium. The status of these loans is as follows:

Recipient country	*Project number*	*Loan amount as at 1 January 1996*	*Repayments*	*Outstanding loan amount as at 31 December 1997*
		(thousands of United States dollars)		
Benin	RAF/94/C02	200	—	200
Botswana	BOT/87/C02	2 143	1 428	715
	BOT/87/C05	4 363	1 678	2 685
	BOT/87/C06	1 875	783	1 092
Burkina Faso	RAF/94/C02	200	—	200
Ghana	RAF/94/C02	200	—	200
Mali	RAF/94/C02	200	—	200
Nepal	NEP/85/C01	291	146	145
Senegal	RAF/94/C02	200	—	200
Total		**9 672**	**4 035**	**5 637**

These loans are repayable over a period of 10 years. The amount due for 1997 and prior years is $36,332.

(d) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 7 consists of:

	1997	*1995*
	(thousands of United States dollars)	
Executing agents	6 437	10 748
Biennial support budget and others	241	286
Total	**6 678**	**11 034**

(e) Operational reserve

The Governing Council, at its twenty-sixth session in 1979, approved the establishment of an operational reserve at the level of at least 20 per cent of project commitments and contingent liabilities for guarantees entered into by the Fund in respect of bank loans to Governments (excluding sub-trust fund and cost-sharing arrangements). In line with that decision, the operational reserve originally established in 1979 was adjusted to $45 million at 31 December 1997, as shown in schedule 7.

(f) Unspent allocations and future commitments

The unspent allocations at 31 December 1997 amounted to $22,213,749 ($25,973,154 in 1995). However, total commitments made under the partial funding system amount to $224,948,000 ($209,528,000 in 1995).

The partial funding system was originally approved by the Governing Council in 1979. At its thirty-fourth session in 1982, the Council reviewed the system and modified the formula for calculating the allowable ceiling of outstanding commitments to be the sum of liquid resources, exclusive of the operational reserve, plus five years of anticipated voluntary contributions.

The total commitments shown above consist of:

	1997	*1995*
	(thousands of United States dollars)	
Regular resources	221 737	204 307
Cost-sharing	218	315
Sub-trust funds	2 993	4 906
Total	**224 948**	**209 528**

The commitments shown are well within the limit set under the partial funding system.

Note 30
United Nations Revolving Fund for Natural Resources Exploration

(a) Mandate and goals

UNRFNRE was established in 1973 in accordance with General Assembly resolution 3167 (XXVIII) of 17 December 1973 as a trust fund to be administered by UNDP.

Its mandate is to extend and intensify the activities of the United Nations system in the field of natural resources exploration in developing countries through the sharing of the risks involved. At the same time, it is to provide a means for mutual assistance and cooperation in this field.

As a member of the Sustainable Energy and Environment Division of UNDP since July 1996, UNRFNRE is currently expanding its position as a catalyst for the sustainable development of natural resources.

Under the concept of the sustainable development, the Revolving Fund demonstrates the following features:

- Replenishment contribution is a unique feature of the Revolving Fund. If an exploration project results in the discovery of a deposit of development, the concerned government would repay at a rate of 2 per cent of the gross annual value of production (1 per cent for the least-developed countries) for a period of 15 years, until a ceiling of 10 times total project costs at constant prices is attained;
- Exploration of minerals focused on deposits appropriate for small-scale mining among the socially and economically less stable developing countries, thereby filling the gap that exists where private mining companies are not willing to implement exploration in spite of high mineral potential;
- Exploration of geothermal energy aiming at environmental friendly-clean energy in developing countries for the purpose of reducing dependence on oil, which in many cases, has to be imported and will cause environmental degradation;

- Environmentally sound research and development activities in the area of mining-related pollution.

(b) Programme expenditure

The amount of $654,328 ($458,317 in 1994–1995) shown in schedule 7 includes pre-project expenditure in the amount of $101,239 ($82,654 in 1994–1995).

(c) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 7 consists of:

	1997	*1995*
	(thousands of United States dollars)	
Executing agents	34	3
Biennial support budget	2	7
Total	**36**	**10**

(d) Unspent allocations and unexpended resources

The amounts shown in schedule 7 consist of:

	Unspent allocations		*Unexpended resources*	
	1997	*1995*	*1997*	*1995*
	(thousands of United States dollars)			
Regular resources	340	335	3 111	3 102
Sub-trust funds	18	50	32	65
Total	**358**	**385**	**3 143**	**3 167**

Note 31
United Nations Fund for Science and Technology for Development

(a) Mission and goals

UNFSTD was set up by the Vienna Conference in 1979 to deal more effectively with science and technology matters in a multilateral framework.

Its mission is to accelerate sustainable development by playing a special role within the United Nations system to promote Transfer of Technology and build Endogenous Capacity. It provides assistance in such priority areas as: science and technology policy and capacity-building; technology innovation and entrepreneurship development; information technology and technology information; quality control and maintenance; and new and renewable energy.

(b) Unspent allocations and unexpended resources

The amounts shown in schedule 7 consist of:

	Unspent allocations		*Unexpended resources*	
	1997	*1995*	*1997*	*1995*
	(thousands of United States dollars)			
Regular resources	391	539	792	677
Cost-sharing	—	39	27	34
Sub-trust funds	31	103	351	404
Total	**422**	**681**	**1 170**	**1 115**

(c) Future

The Fund plans to conclude its activities in 1998.

Note 32
United Nations Development Fund for Women

(a) Mandate and goals

In its resolution 39/125 of 14 December 1984, the General Assembly established the United Nations Development Fund for Women (UNIFEM) to play an innovative and catalytic role in the promotion of women's empowerment and gender equality. More specifically, the Fund's mandate is:

- To support innovative and experimental activities benefiting women, in line with national and regional priorities;
- To serve as a catalyst, with the goal of ensuring the appropriate involvement of women in mainstream development activities, as often as possible at the pre-investment stage;
- To play an innovate and catalytic role in relation to the United Nations overall system of development cooperation.

(b) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 7 consists of:

	1997	*1995*
	(thousands of United States dollars)	
Executing agents	1 133	419
Biennial support budget	51	186
Total	**1 184**	**605**

(c) Partial funding system and operational reserve

In accordance with a 1995 decision of the Executive Board, UNIFEM has been operating under the full funding system since 1 January 1995. The Executive Board temporarily suspended the requirements of the operational reserve and granted UNIFEM

the use of the UNDP overdraft facility during the period 1995–1997 up to a maximum draw-down of $4.5 million to cover its prior commitments. No draw-down from the overdraft facility was made.

At its third regular session in September 1996, the Executive Board agreed to the re-establishment of the operational reserve at the initial level of $3.0 million (decision 96/43). On 17 January 1997 the Executive Board approved a modified partial funding modality to determine programme approval levels and associated operational reserve balance.

Under the partial funding modality, the maximum approved level for programming over a three-year period should be the net of a conservative estimate of income realization for the next three years minus administrative costs for that same period. A very conservative estimate of income to be realized for the first year would be equal to the estimated income for that year, calculated on the basis of the pledging conference results and direct consultation with donors. The estimate for the second year would be equal to 50 per cent of the estimated income of the first year while the estimate of the third year would be equal to 25 per cent of the estimated income of the first year (i.e., 50 per cent of the estimate for the previous year). The administrative costs would be by default equal to three times the current year costs.

The operational reserve would be set at the annual average expenditure over the programming period, i.e., one third of the maximum programme approval level times the estimated delivery rate. In accordance with the modified partial funding modality, the operational reserve has been increased to $3.5 million as of 31 December 1997.

(d) Unspent allocations and unexpended resources

The amounts shown in schedule 5.2 consist of:

	Unspent allocations		*Unexpended resources*	
	1997	*1995*	*1997*	*1995*
	(thousands of United States dollars)			
Regular resources	6 549	13 124	5 768	4 101
Cost-sharing	4 702	5 791	3 505	2 119
Sub-trust funds	4 084	1 815	2 159	1 607
Total	**15 335**	**20 730**	**11 432**	**7 827**

Allocations exceeding regular, cost-sharing and sub-trust fund resources amounting to $780,106, $1,196,244 and $1,926,247 respectively were issued on the basis of contributions receivable from Governments in the amount of $2,039,006, $2,317,843 and $2,626,561 respectively. These amounts are included in the contributions receivable of $6,983,410 shown in note 34. Contributions receivable shown in note 34 do not include pledges for future years amounting to $1,571,187.

(e) Transfer from regular resources to sub-trust funds resources

The sub-trust funds "Post-Beijing follow-up in Western Asia" and "Beijing Conference Preparations in Anglophone West Africa" (shown in schedule 7.1) were in deficit by $14,419 and $5,130 respectively at 31 December 1997. In order to cover that deficit (which is in contradiction with the principle of full funding system) UNIFEM management decided to advance $19,549 from regular resources to sub-trust fund resources.

(f) Letter of credit

A letter of credit in the amount of $525,000 was established with Chase Manhattan Bank in connection with cost-sharing project RLA/92/W02. The balance outstanding at 31 December 1997 was $300,000. This amount is collateralized by investments held in the UNIFEM portfolio.

Note 33
United Nations Volunteers programme

(a) Mandate and goals

Set by the General Assembly in 1970, under the general aegis of UNDP, UNV strives:

- To promote directly volunteer contributions to development by helping better to define and make known volunteer roles in development; by recruiting and fielding United Nations Volunteers (UNVs); and by stimulating the establishment of local volunteer and youth schemes;
- To provide a global facility, under the United Nations system, that allows UNVs to serve people through Governments, United Nations agencies, international organizations, community-based organizations and non-governmental organizations by direct placement; by helping to establish networks; and by providing information and channels for contact.

In so doing, UNV demonstrates the following features:

- A special kind of contribution, noted for its spirit of solidarity and partnership, to a wide range of technical cooperation activities;
- Effective support to humanitarian aid programmes;
- Assistance to the United Nations peace-making and peace-building activities;
- Targeted support to community-based participatory development, especially among low income groups in poverty situations;
- The ability to mobilize volunteer human resources from all over the world, including from developing countries themselves;
- The willingness to adjust its policies and procedures to local conditions and needs;
- The advantage of building on the institutional presence and development involvement of UNDP and the United Nations system in virtually all developing countries;
- Ability to provide a flexible response, including the use of mixed teams of international and national volunteers;
- Pro-active promotion of volunteer efforts in areas of strategic relevance such as urban development, environmental management and preventive/curative development.

(b) Biennial support budget – core activities

The UNV biennial support budget of $30,287,000 ($33,783,000 in 1994–1995) is included in UNDP regular resources in the biennial budget and is detailed in schedule 3.

(c) Recovery of external costs

The Governing Council, at its thirty-ninth session in 1992, revised the guidelines for the use of the Special Voluntary Fund and the procedures for recovery of external costs.

It was decided that except in situations where special financing was available, the external costs of volunteers would be charged fully to project budgets on the basis of a pro forma cost. Any difference between pro forma costs and actual costs would be absorbed by the Special Voluntary Fund.

During the biennium, external costs totalling $7,903,662 ($9,117,769 in 1994–1995) were recovered and credited as income of the Fund. This amount is shown as part of other income of $7,693,939 ($9,304,862 in 1994–1995) in schedule 7.

(d) Other accounts receivable and deferred charges

The amount of $2,691,913 ($1,335,931 in 1995) shown in schedule 7 includes the balance due from the United Nations of $1,523,875 ($655,803 in 1995) for the purpose of funding specific projects through memoranda of understanding between UNV and the United Nations. The status of this account is as follows:

	1997	*1995*
	(thousands of United States dollars)	
Balance at 1 January	657	991
Income received	(295)	(3 608)
	362	**(2 617)**
Expenditure incurred	1 162	3 274
Balance due from the United Nations at 31 December	**1 524**	**657**

(e) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 7 consists of:

	1997	*1995*
	(thousands of United States dollars)	
Reimbursable activities	16	180
Special Voluntary Fund activities	—	11
Sub-trust fund activities	—	15
Total	**16**	**206**

(f) Special Voluntary Fund

The Governing Council, at its thirty-ninth session in 1992, decided that the income accruing to the Special Voluntary Fund from voluntary contributions and interest income would be utilized to meet expenditures for pilot and experimental projects, briefing of UNV specialists and the training of domestic development services country specialists and field workers, special recruitment campaigns and other projects of similar nature. Prior to this decision, 85 per cent of the income accruing to the Special Voluntary Fund was used to meet external costs of volunteers. Project budgets were charged an assessed amount to cover external costs that were not met by the Special Voluntary Fund.

(g) Unspent allocations and unexpended resources

The amounts shown in schedule 7 consist of:

	Unspent allocations		*Unexpended resources*	
	1997	*1995*	*1997*	*1995*
	(thousands of United States dollars)			
Regular resources	9 794	6 999	23 482	12 876
Cost-sharing	276	—	162	—
Sub-trust funds	13 256	12 723	16 800	13 415
Total	**23 326**	**19 722**	**40 444**	**26 291**

Of the unspent allocations of regular resources, $4,131,125 ($4,527,750 in 1995) represents estimated commitments in respect of repatriation travel and resettlement allowances for serving volunteers at 31 December 1997.

Note 34. Contributions due from Governments and other contributors for funds and trust funds administered by the United Nations Development Programme at 31 December 1997, in thousands of United States dollars

	Trust Fund to Combat Desertification and Drought	*Trust Fund for the Global Environmental Facility*	*"Capacity 21" Trust Fund*	*UNDP Energy Account*	*Government of Germany Trust Fund for the UNDP/World Energy Sector Management Assistance Programme*	*UNDP Trust Fund in Support of the Activities of the Commission on Forests and Sustainable Development*	*UNDP Trust Fund for World Summit on Social Development*
Voluntary contributions							
1993 and prior years	419	—	—	1	—	—	—
1994	1	—	20	—	—	—	—
1995	4	—	—	—	57	—	—
1996	2			—	2	—	335
1997	28	—	124	—		164	—
Total	**454**	**—**	**144**	**1**	**59**	**164**	**335**
Cost-sharing contributions							
1996 and prior years	85	195	15	1 220	—	—	—
1997	3 468	—	206	1 293	—	—	—
Total	**3 553**	**195**	**221**	**2 513**	**—**	**—**	**—**
Total voluntary and cost-sharing contributions	**4 007**	**195**	**365**	**2 514**	**59**	**164**	**335**
Contributions to sub-trust funds							
1996 and prior years	1 343	35	233	—	—	—	—
1997	—	—	—	—	—	—	—
Total	**1 343**	**35**	**233**	**—**	**—**	**—**	**—**
Total contributions due	**5 350**	**230**	**598**	**2 514**	**59**	**164**	**335**

	UNDP Development Study Programme	*UNDP/Sweden Trust Fund on Support to the Technical Advisory Committee on the Global Water Partnership*	*UNDP Trust Fund for Angola*	*UNDP/Sweden Trust Fund to Support Reconstruction and Reconciliation Activities in Burundi*	*UNDP Trust Fund for Rwanda*	*UNDP/Norway Trust Fund for Assistance to Electoral Processes in Mozambique*	*UNDP Trust Fund for the Mozambique Mine Clearance Programme*
Voluntary contributions							
1993 and prior years	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—
1995	—	—	—	429	—	—	—
1996	—	—	—	658	2 000	—	30
1997	30	12	—	658	2 191	1 577	805
Total	**30**	**12**	**—**	**1 745**	**4 191**	**1 577**	**835**
Cost-sharing contributions							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
Total	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total voluntary and cost-sharing contributions	**30**	**12**	**—**	**1 745**	**4 191**	**1 577**	**835**
Contributions to sub-trust funds							
1996 and prior years	—	—	2 533	—	18	—	—
1997	—	—	595	—	750	—	—
Total	**—**	**—**	**3 128**	**—**	**768**	**—**	**—**
Total contributions due	**30**	**12**	**3 128**	**1 745**	**4 959**	**1 577**	**835**

	UNDP Trust Fund to Support the Peace Process in North Mali	*UNDP Trust Fund for Namibia*	*UNDP Trust Fund for the United Nations Educational and Training Programme for Southern Africa*	*Trust Fund with Norway for Support for Governance in Africa*	*UNDP Trust Fund for Pooling Agreement for Technical Assistance to the Health Sector*	*UNDP/EEC Trust Fund Agreement for the Africa 2000 Network Programme: Grants in Burkina Faso, Cameroon and Uganda*	*Sweden Trust Fund for "Support to De-Mining Programmes in Cambodia through the Cambodia Mine Action Centre"*
Voluntary contributions							
1993 and prior years	—	5	—	—	—	—	—
1994	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—
1996	5	—	—	—	587	—	—
1997	—	—	4	1 933	—	—	1 316
Total	**5**	**5**	**4**	**1 933**	**587**	**—**	**1 316**
Cost-sharing contributions							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
Total	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total voluntary and cost-sharing contributions	**5**	**5**	**4**	**1 933**	**587**	**—**	**1 316**
Contributions to sub-trust funds							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	805	—
Total	**—**	**—**	**—**	**—**	**—**	**805**	**—**
Total contributions due	**5**	**5**	**4**	**1 933**	**587**	**805**	**1 316**

	Sweden Trust Fund for Support to Cambodia Resettlement and Reintegration Programme	*UNDP/Lao People's Democratic Republic Trust Fund for Clearance of Unexploded Ordnance*	*Sweden Trust Fund for Support to the Comprehensive Disabled Afghans Programme*	*UNDP/NOVIB/ Group of Resource Persons for Awareness Creation for Environment and Sustainable Development in Asia*	*Sweden Trust Fund for Strengthening Financial Policies and Institutions in Viet Nam*	*UNDP/Australia Trust Fund for Fiscal and Monetary Management Reform and Statistical Improvement, Phase II*	*UNDP/EEC Trust Fund Agreement for Multi-Donor Partner Support to the Mekong River Commission for Key Officers Posts and Capacity-Building*
Voluntary contributions							
1993 and prior years	—	—	—	—	—	—	—
1994	—	—	—	27	—	—	—
1995	—	—	—	—	—	—	—
1996	—	—	—		—	235	—
1997	31	524	362	—	125	—	140
Total	**31**	**524**	**362**	**27**	**125**	**235**	**140**
Cost-sharing contributions							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
Total	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total voluntary and cost-sharing contributions	**31**	**524**	**362**	**27**	**125**	**235**	**140**
Contributions to sub-trust funds							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
Total	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total contributions due	**31**	**524**	**362**	**27**	**125**	**235**	**140**

	UNDP/Sweden Trust Fund for the Project Rural Access Planning and Infrastructure for Basic Needs	*Trust Fund in Support of the Strengthening of the Ministry of Foreign Affairs in Kyrgyzstan*	*Trust Fund in Support of National Capacity-Building in External Aid Resources Management*	*Trust Fund for the Aral Sea Basin Programme*	*UNDP/EEC Trust Fund Agreement for Project Support to Refugees and Displaced Persons in Bosnia*	*UNDP/EEC Trust Fund for Support to Village Employment Creation in Bosnia and Herzegovina*	*UNDP/EEC Trust Fund for Village Employment and Environment Project in Bosnia and Herzegovina*
Voluntary contributions							
1993 and prior years	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—
1996	—	—	—	202	—	—	—
1997	211	80	113	—	2 565	643	3 856
Total	**211**	**80**	**113**	**202**	**2 565**	**643**	**3 856**
Cost-sharing contributions							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
Total	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total voluntary and cost-sharing contributions	**211**	**80**	**113**	**202**	**2 565**	**643**	**3 856**
Contributions to sub-trust funds							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
Total	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total contributions due	**211**	**80**	**113**	**202**	**2 565**	**643**	**3 856**

	UNDP/EEC Trust Fund for the Project "Promotion of Social Integration in Latvia: Language Training Programme"	*Sweden Trust Fund for Capacity Development of the Latvian National Human Rights Office*	*Trust Fund in Support of Peace-Building Activities in El Salvador*	*UNDP/EEC Trust Fund for "PPB Technical Assistance Project"*	*UNDP Trust Fund for the Implementation of the Agreement on the Resettlement of Populations Uprooted by Armed Conflict in Guatemala*	*UNDP Fund for the Programme of Assistance to the Palestinian People*	*Total of trust funds*
Voluntary contributions							
1993 and prior years	—	—	—	—	—	—	425
1994	—	—	—	—	—	—	48
1995	—	—	395	—	—	—	885
1996	—	—	—	32	—	105	4 193
1997	337	228	46	—	235	2 087	20 425
Total	**337**	**228**	**441**	**32**	**235**	**2 192**	**25 976**
Cost-sharing contributions							
1996 and prior years	—	—	—	—	—	—	1 515
1997	—	—	—	—	—	—	4 967
Total	**—**	**—**	**—**	**—**	**—**	**—**	**6 482**
Total voluntary and cost-sharing contributions	**337**	**228**	**441**	**32**	**235**	**2 192**	**32 458**
Contributions to sub-trust funds							
1996 and prior years	—	—	—	—	—	3 026	7 188
1997	—	—	—	—	—	—	2 150
Total	**—**	**—**	**—**	**—**	**—**	**3 026**	**9 338**
Total contributions due	**337**	**228**	**441**	**32**	**235**	**5 218**	**41 796**

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	United Nations Capital Development Fund	United Nations Revolving Fund for Natural Resources Exploration	United Nations Fund for Science and Technology for Development	United Nations Development Fund for Women	United Nations Volunteers programme	Total of funds	Grand total
Voluntary contributions							
1993 and prior years	375	45	615	142	178	1 355	1 780
1994	15	—	22	8	54	99	147
1995	3	4	22	25	8	62	947
1996	9	4	36	20	4	73	4 266
1997	22	1 010	7	1 844	69	2 952	23 377
Total	**424**	**1 063**	**702**	**2 039**	**313**	**4 541**	**30 517**
Cost-sharing contributions							
1996 and prior years	20	—	9	—	—	29	1 544
1997	—	—	—	2 318	—	2 318	7 285
Total	**20**	**—**	**9**	**2 318**	**—**	**2 347**	**8 829**
Total voluntary and cost-sharing contributions	**444**	**1 063**	**711**	**4 357**	**313**	**6 888**	**39 346**
Contributions to sub-trust funds							
1996 and prior years	2 590	—	73	—	840	3 503	10 691
1997	—	—	—	2 627	—	2 627	4 777
Total	**2 590**	**—**	**73**	**2 627**	**840**	**6 130**	**15 468**
Total contributions due	**3 034**	**1 063**	**784**	**6 984**	**1 153**	**13 018**	**54 814**

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